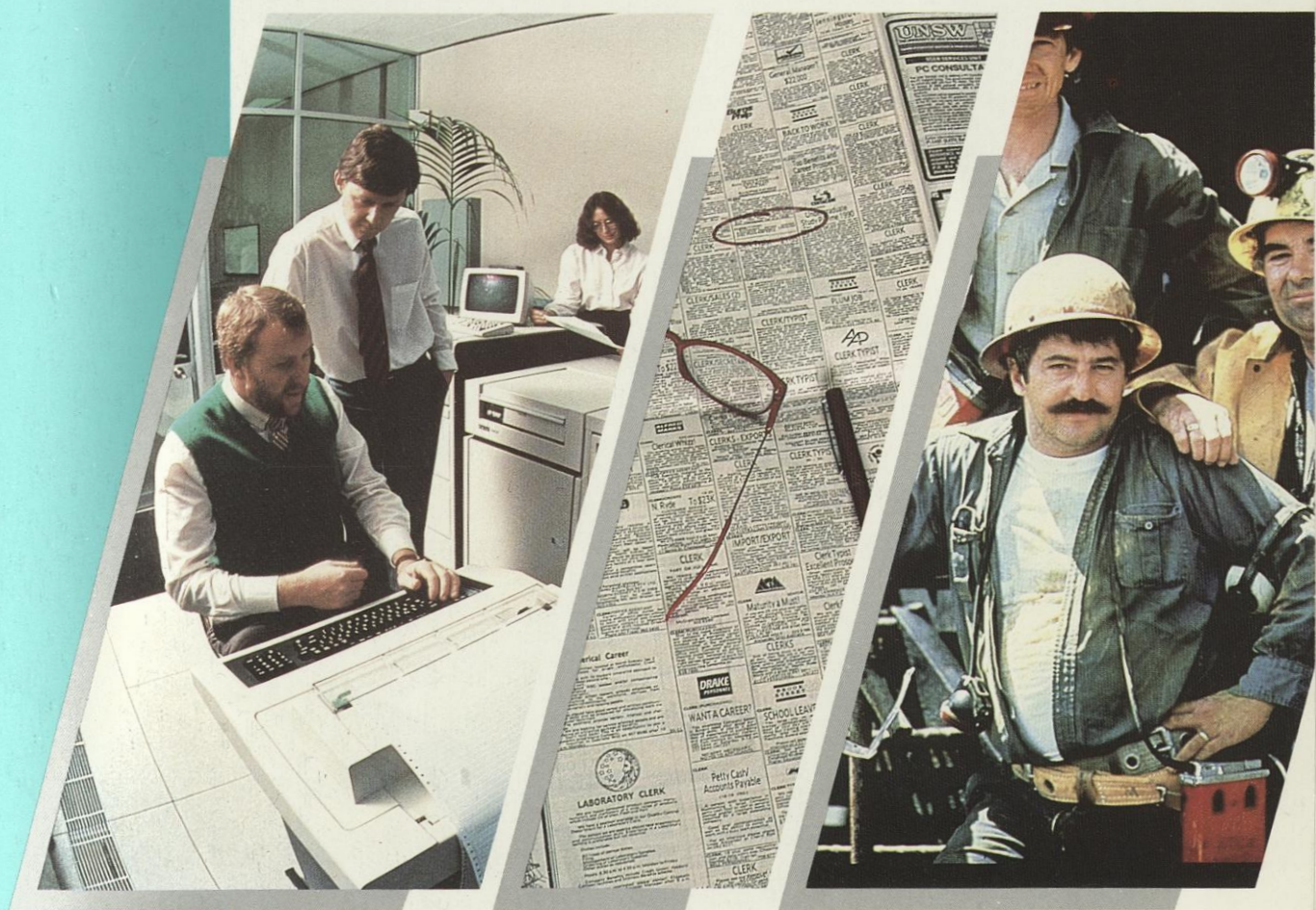


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1990-91

# LABOUR COSTS AUSTRALIA







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## INQUIRIES

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LABOUR COSTS  
AUSTRALIA  
1990-91

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## SUMMARY OF FINDINGS

### Total major labour costs per employee

Average total major labour costs per employee increased by 6.9 per cent from \$27,827 in 1989-90 to \$29,734 in 1990-91. The greatest increase occurred in the Recreation, personal and other services industry with costs per employee increasing by 14.1 per cent from \$16,049 in 1989-90 to \$18,306 in 1990-91. Other industries which recorded notable increases in average costs per employee were Wholesale and retail trade (up 12.6% to \$23,675) and Transport, storage and communication (up 8.0% to \$36,172). There was a decrease in the Construction industry of 7.2 per cent with average costs per employee falling from \$34,132 in 1989-90 to \$31,666 in 1990-91.

The Mining industry continues to have the highest average total major labour costs per employee (\$53,855), while the Recreation, personal and other services industry recorded the lowest costs per employee (\$18,306).

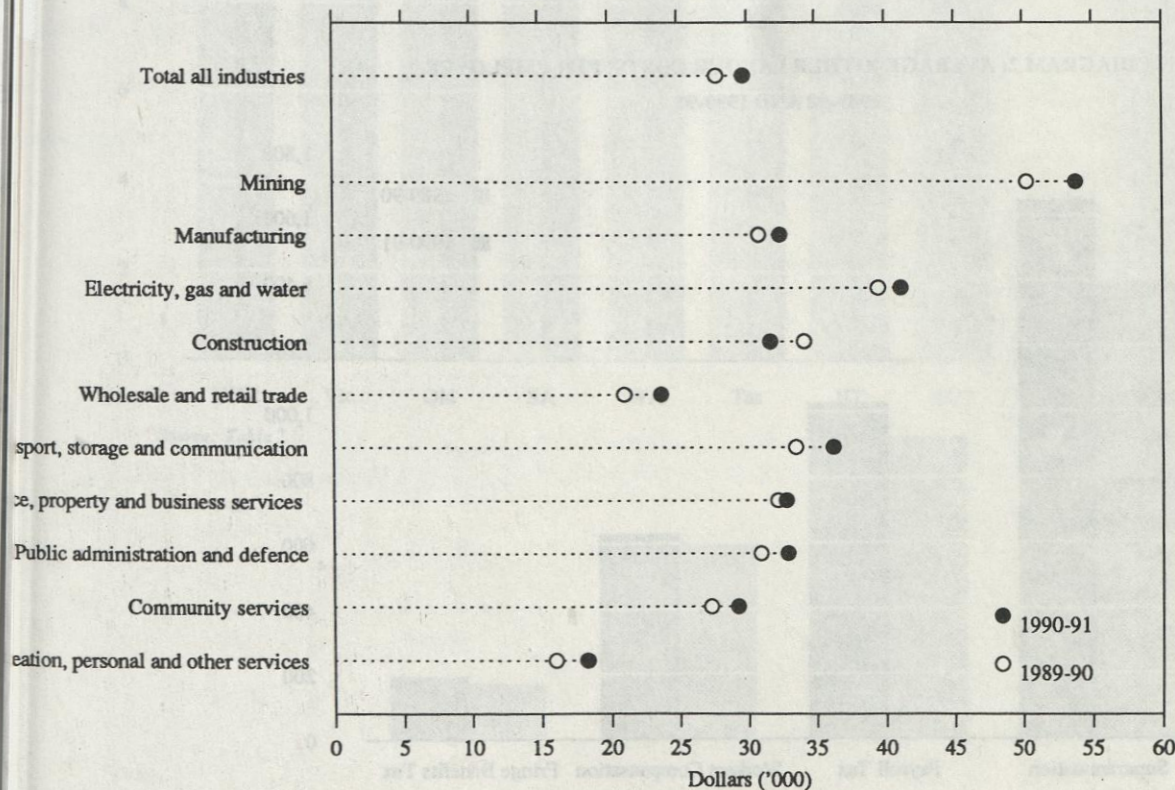
Average total major labour costs per employee in the private sector (\$27,788) showed an increase of 6.5

per cent over 1989-90 (\$26,086), with Recreation, personal and other services (up 14.2% to \$17,520) and Wholesale and retail trade (up 12.5% to \$23,626) recording the largest increases. The public sector showed a similar trend with the average total major labour costs per employee rising by 6.6 per cent from \$32,170 in 1989-90 to \$34,309 in 1990-91.

On a State comparison, South Australia recorded the largest increase in average total major labour costs per employee (up 8.8% to \$27,800), while the smallest increase, and the lowest such costs were recorded in Tasmania (up 2.7% to \$26,674). The Australian Capital Territory recorded the highest average total major labour costs per employee (\$33,219).

Note: Due to variability in the sample, total costs shown in this publication for some component labour costs for the Northern Territory are believed to be underestimated. This variability is not considered to adversely affect average labour costs reported for the Northern Territory.

DIAGRAM 1: AVERAGE TOTAL MAJOR LABOUR COSTS PER EMPLOYEE BY INDUSTRY, 1989-90 AND 1990-91



Source: Table 5



### Movements in components of 'major labour costs'

Major labour costs per employee	1989-90 dollars	1990-91 dollars	Change %
Earnings	24,730	26,225	+6.0
Other labour costs	3,097	3,509	+13.3
Superannuation	1,395	1,647	+18.1
Payroll tax	923	1,029	+11.5
Workers' compensation	607	630	+3.8
Fringe benefits tax	173	203	+17.3
Total major labour costs	27,827	29,734	+6.9

Of the components of 'major labour costs', other labour costs increased at a greater rate than earnings with superannuation costs showing the greatest increase in percentage terms (18.1%) from \$1,395 in 1989-90 to \$1,647 per employee in 1990-91. Tasmania showed the greatest increase in superannuation costs per employee, rising from \$1,088 in 1989-90 to \$1,504 in 1990-91, an increase of 38.2 per cent. Other States to record notable increases were Victoria (up 23.2% to \$1,762) and New South Wales (up 18.2% to \$1,673). Fringe benefits tax rose by 17.3 per cent from \$173 per employee in 1989-90 to \$203 in 1990-91. Of the components of 'other labour costs', superannuation again recorded the largest increase in actual costs per employee,

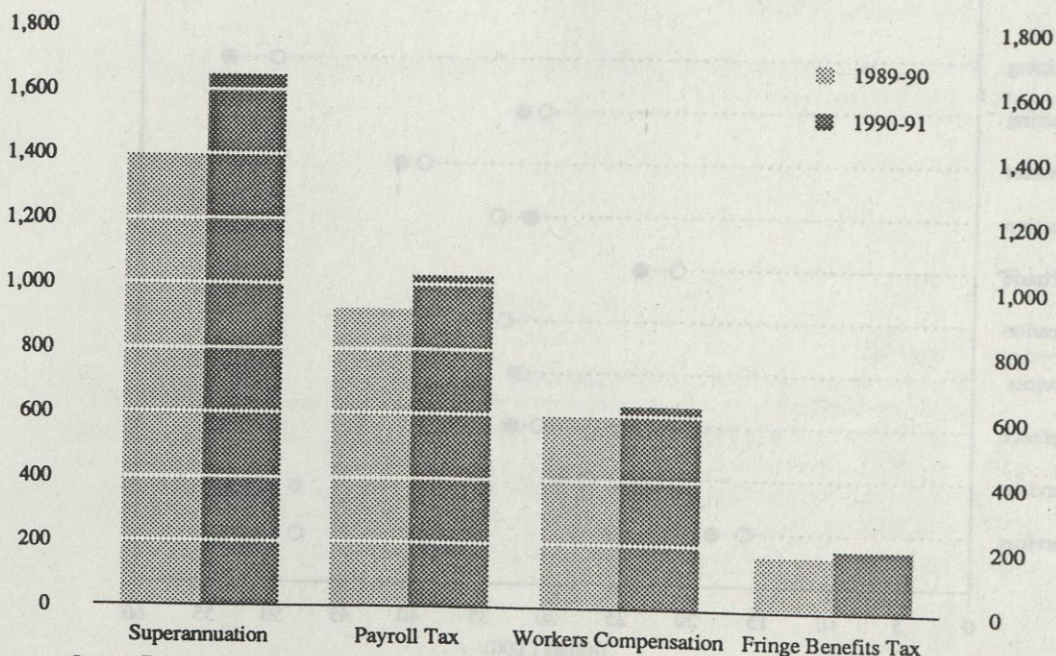
rising by \$252 followed by payroll tax costs which increased by \$106 per employee.

In 1990-91, superannuation for the first time surpassed payroll tax as the largest component of 'other labour costs' for private sector employers.

Superannuation costs per employee in the private sector showed sizeable increases across most industries with the most notable being Recreation, personal and other services (up 70.1% to \$524), Wholesale and retail trade (up 43.5% to \$868), and Finance, property and business services (up 38.5% to \$1,787). The only industry to record a decrease in superannuation costs per employee was Construction which fell by 5.4 per cent to \$1,448. On a State basis, New South Wales (up 39.9% to \$1,242) and Victoria (up 33.8% to \$1,275) recorded the most notable increases.

In the public sector, payroll tax per employee rose by 14.1 per cent from \$977 in 1989-90 to \$1,115 in 1990-91, with the Australian Capital Territory (up 24.8% to \$382) and South Australia (up 23.7% to \$1,070) showing the most significant increases. Superannuation costs per employee recorded an increase of 6.0 per cent from \$2,678 in 1989-90 to \$2,839 in 1990-91, with the Australian Capital Territory reporting the highest such costs per employee (\$4,425). Superannuation costs per employee continued to be the highest component of other labour costs in this sector.

DIAGRAM 2: AVERAGE 'OTHER LABOUR COSTS' PER EMPLOYEE, 1989-90 AND 1990-91



Source: Table 5



**'Other labour costs' as a percentage of total major labour costs**

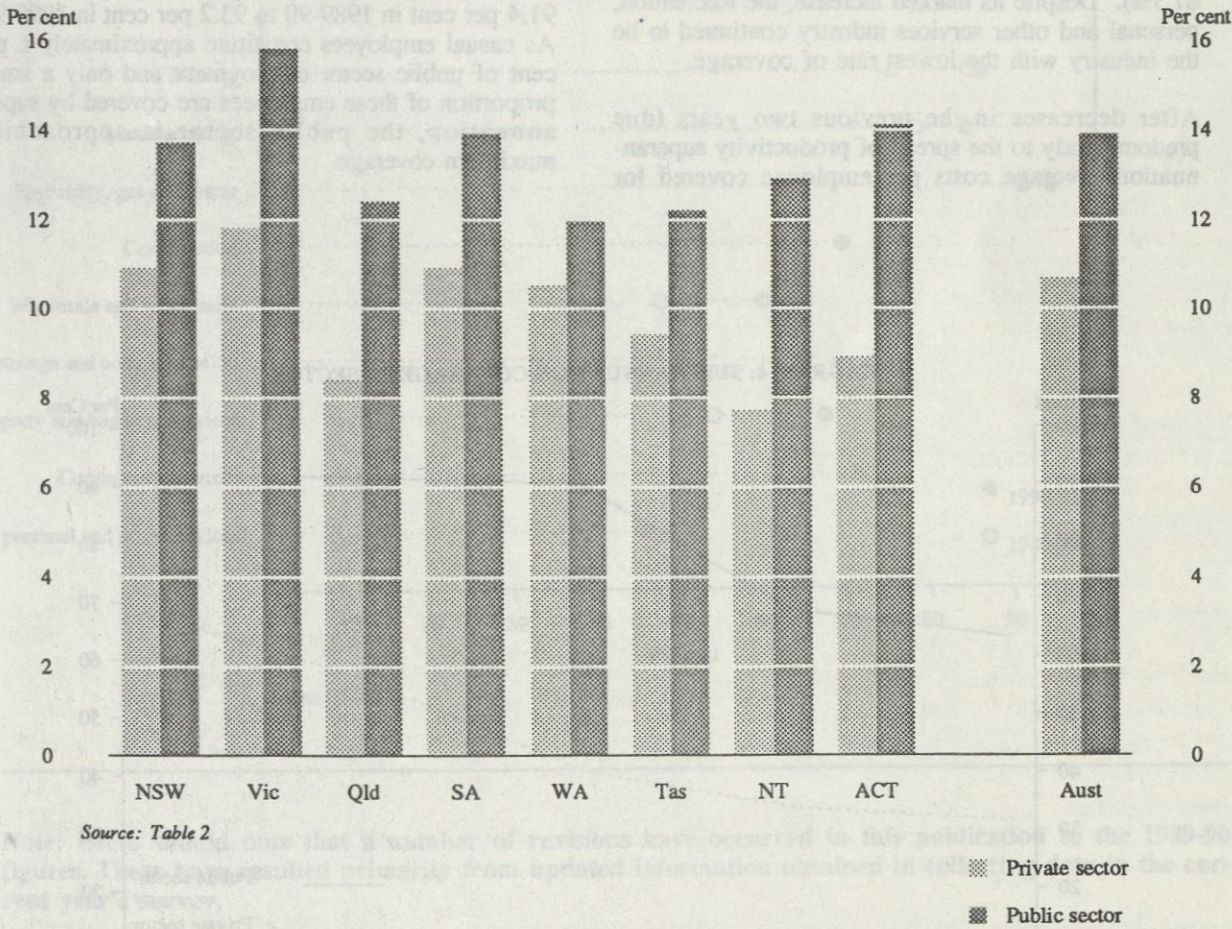
In 1990-91, 'other labour costs' were 11.8 per cent of total major labour costs, with average rates of 10.7 per cent in the private sector and 13.9 per cent in the public sector.

In the private sector, employers in the Electricity, gas and water (14.1%) and Mining (12.9%) in-

dustries recorded the highest levels of 'other labour costs' as a percentage of total major labour costs, while employers in Victoria (11.8%) reported the highest such costs across all States.

For the public sector Victoria (15.8%) had the highest levels of 'other labour costs' as a percentage of total major labour costs , with Western Australia and Tasmania having the lowest proportions (12.0% and 12.2% respectively).

**DIAGRAM 3: 'OTHER LABOUR COSTS' AS A PERCENTAGE OF TOTAL MAJOR LABOUR COSTS, BY STATE AND SECTOR**  
1990-91





### Superannuation

In 1990-91, the percentage of total employees reported by employers to be covered by superannuation in Australia increased to 75.5 per cent from 66.7 per cent reported in 1989-90. The private sector rate of coverage has increased from 56.8 per cent in 1989-90 to 67.9 per cent in 1990-91, while the public sector rose marginally from 91.4 per cent to 93.2 per cent over the same period.

#### Private sector

All industries in the private sector continued to show an increase in the percentage of employees covered by superannuation, with the biggest increase occurring in Recreation, personal and other services, which rose by 19 percentage points to 45.8 per cent. Other industries which showed notable increases were Transport, storage and communication (up 14.3 percentage points to 64.7%), and Finance, property and business services (up 13.3 percentage points to 67.3%). Despite its marked increase, the Recreation, personal and other services industry continued to be the industry with the lowest rate of coverage.

After decreases in the previous two years (due predominantly to the spread of productivity superannuation) average costs per employee covered for

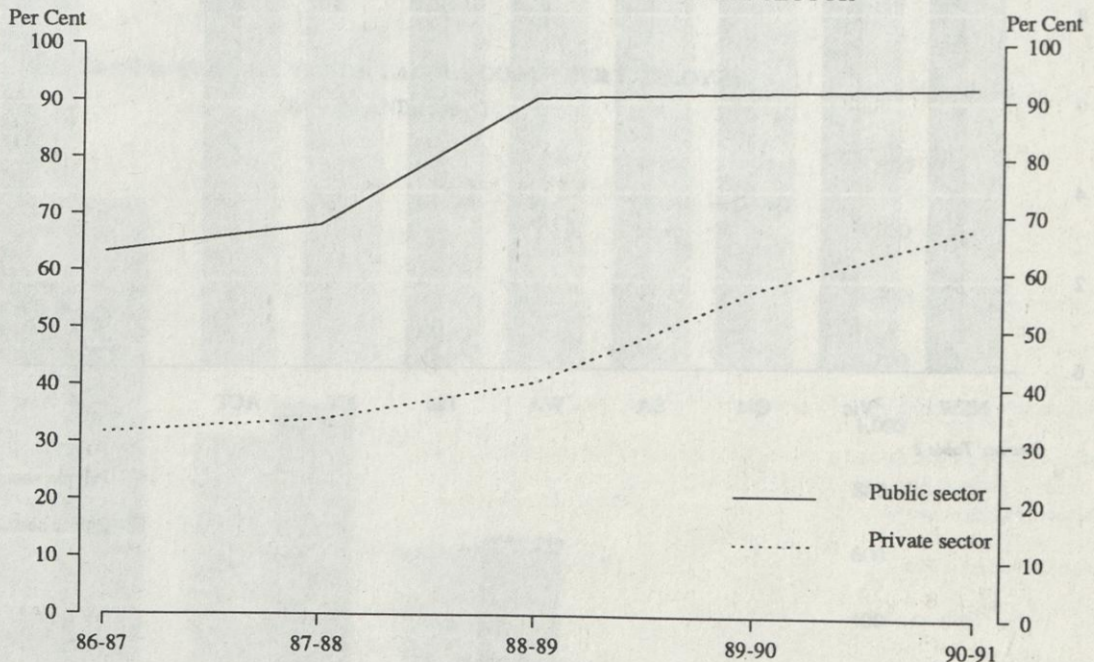
Australia increased by 8.3 per cent from \$1,549 in 1989-90 to \$1,677 in 1990-91. Mining showed the most notable increase in average costs per employee covered rising by 21.0 per cent from \$2,240 to \$2,710. There was a decrease in the average cost per employee covered by superannuation in the Construction industry of 13.9 per cent.

#### Public sector

In the public sector, superannuation schemes are increasingly being funded by ongoing contributions rather than operating on an emerging (unfunded) basis. This is reflected in the fact that in 1990-91 the value of ongoing superannuation contributions increased by 18.1 per cent to \$3,577 million, while the value of total superannuation liabilities being met on an emerging costs basis recorded a decline of 14.0 per cent to \$1,327 million.

Superannuation coverage in the public sector increased marginally (by 1.8 percentage points) from 91.4 per cent in 1989-90 to 93.2 per cent in 1990-91. As casual employees constitute approximately 6 per cent of public sector employment and only a small proportion of these employees are covered by superannuation, the public sector is approaching maximum coverage.

DIAGRAM 4: SUPERANNUATION COVERAGE BY SECTOR



Source: Table 8



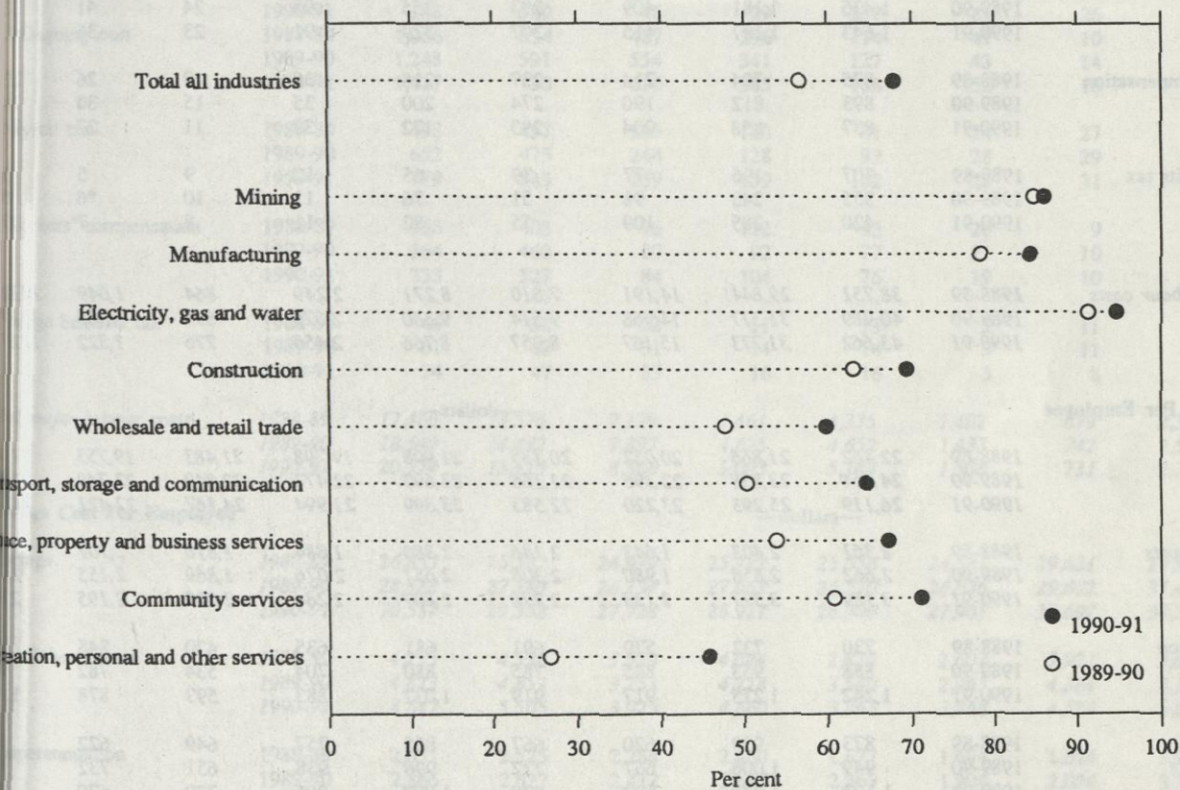
South Australia has the highest percentage of employees covered by superannuation (97.9%). Western Australia continued to show the lowest rate of coverage (80.4%), despite having recorded the largest increase over 1989-90 of 9.5 percentage points.

Average superannuation costs for all public sector employees covered by superannuation increased by 3.9 per cent from \$2,930 in 1989-90 to \$3,045 in 1990-91. Tasmania recorded the biggest increase

(up 47.6% to \$2,895), while in New South Wales the cost decreased marginally by 2.1 per cent from \$3,081 in 1989-90 to \$3,015 in 1990-91. The Australian Capital Territory continued to have the highest costs per employee covered (\$4,699 in 1990-91).

For reasons explained in the glossary (see *Superannuation*, page 30) public sector superannuation costs are not directly comparable to those of the private sector.

DIAGRAM 5: SUPERANNUATION COVERAGE BY INDUSTRY,  
PRIVATE SECTOR, 1989-90 AND 1990-91



Source: Table 8

Note: Users should note that a number of revisions have occurred in this publication to the 1989-90 figures. These have resulted primarily from updated information obtained in collecting data in the current year's survey.



TABLE 1. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, STATES AND TERRITORIES, AND SECTOR

Type of labour cost		NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
PRIVATE										
—\$ millions—										
<b>Total Costs</b>										
<i>Earnings</i>	1988-89	35,066	26,889	13,116	7,057	7,464	2,054	797	948	93,399
	1989-90	36,965	28,022	13,752	8,579	8,436	2,353	827	1,266	100,199
	1990-91	38,911	28,031	13,890	7,977	7,844	2,219	716	1,204	100,792
<i>Other labour costs</i>	1988-89	3,685	2,954	1,075	752	808	195	67	101	9,638
	1989-90	4,024	3,354	1,216	936	944	217	68	120	10,879
	1990-91	4,751	3,743	1,276	981	921	230	60	118	12,079
<i>Superannuation</i>	1988-89	1,140	900	379	242	231	66	16	41	3,014
	1989-90	1,342	1,119	519	318	313	74	19	44	3,747
	1990-91	1,851	1,412	549	325	339	89	18	47	4,629
<i>Payroll tax</i>	1988-89	1,363	1,155	405	234	294	79	24	30	3,583
	1989-90	1,435	1,181	409	293	355	98	24	41	3,835
	1990-91	1,643	1,187	415	307	329	91	23	36	4,031
<i>Workers' compensation</i>	1988-89	875	704	214	237	218	39	19	26	2,332
	1989-90	893	812	190	274	200	35	15	30	2,447
	1990-91	837	858	204	293	172	39	11	27	2,443
<i>Fringe benefits tax</i>	1988-89	307	196	77	39	65	12	9	5	710
	1989-90	355	243	98	51	76	11	10	*6	850
	1990-91	420	285	109	55	82	11	8	7	976
<i>Total major labour costs</i>	1988-89	38,751	29,844	14,191	7,810	8,271	2,249	864	1,049	103,029
	1989-90	40,989	31,377	14,968	9,514	9,380	2,570	894	1,386	111,078
	1990-91	43,662	31,773	15,167	8,957	8,766	2,450	776	1,322	112,872
<b>Average Cost Per Employee</b>										
—dollars—										
<i>Earnings</i>	1988-89	22,462	21,866	20,052	20,135	21,998	19,798	21,483	19,755	21,600
	1989-90	24,454	23,858	22,396	21,166	23,690	22,472	22,849	22,749	23,531
	1990-91	26,119	25,293	23,220	22,585	23,899	21,994	24,167	22,421	24,815
<i>Other labour costs</i>	1988-89	2,361	2,403	1,643	2,146	2,380	1,884	1,816	2,107	2,229
	1989-90	2,662	2,856	1,980	2,308	2,651	2,076	1,869	2,155	2,555
	1990-91	3,189	3,377	2,133	2,776	2,807	2,284	2,009	2,195	2,974
<i>Superannuation</i>	1988-89	730	732	579	691	681	635	420	848	697
	1989-90	888	953	845	785	880	704	534	782	880
	1990-91	1,242	1,275	917	919	1,032	883	593	878	1,140
<i>Payroll tax</i>	1988-89	873	939	620	667	865	757	649	622	829
	1989-90	949	1,006	667	722	996	938	651	732	901
	1990-91	1,103	1,071	693	870	1,002	905	779	670	992
<i>Workers' compensation</i>	1988-89	561	573	326	676	643	378	500	535	539
	1989-90	591	691	309	675	562	332	405	538	575
	1990-91	562	774	341	831	525	391	379	511	602
<i>Fringe benefits tax</i>	1988-89	197	159	118	112	191	114	247	103	164
	1989-90	235	207	160	125	213	103	280	*104	200
	1990-91	282	257	182	157	249	105	256	136	240
<i>Total major labour costs</i>	1988-89	24,823	24,268	21,695	22,281	24,378	21,682	23,299	21,862	23,830
	1989-90	27,116	26,714	24,376	23,475	26,341	24,548	24,718	24,905	26,086
	1990-91	29,308	28,670	25,354	25,361	26,707	24,278	26,176	24,616	27,788



TABLE 1. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, STATES AND TERRITORIES, AND SECTOR —continued

Type of labour cost		NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
PUBLIC										
—\$ millions—										
Total Costs										
Earnings	1988-89	15,071	11,523	6,290	3,850	3,888	1,268	600	1,974	44,465
	1989-90	15,895	12,303	6,905	4,001	4,104	1,286	646	2,182	47,323
	1990-91	17,583	12,990	7,328	4,308	4,526	1,324	637	2,328	51,024
Other labour costs	1988-89	2,388	2,052	889	612	447	134	79	333	6,934
	1989-90	2,654	2,180	992	624	548	146	95	358	7,597
	1990-91	2,791	2,435	1,037	694	618	184	94	383	8,236
Superannuation										
Emerging cost	1988-89	422	526	88	72	146	47	23	166	1,489
	1989-90	329	612	83	48	239	51	31	149	1,543
	1990-91	188	589	46	29	237	81	26	130	1,327
Ongoing cost	1988-89	1,066	634	487	296	114	41	10	93	2,742
	1989-90	1,248	591	554	341	127	43	14	111	3,029
	1990-91	1,417	730	616	385	188	53	18	170	3,577
Payroll tax	1988-89	498	457	215	120	81	24	27	18	1,440
	1989-90	652	475	244	128	92	28	29	21	1,668
	1990-91	779	543	259	159	102	28	31	26	1,926
Workers' compensation	1988-89	356	403	76	112	93	20	9	52	1,121
	1989-90	364	460	80	92	77	21	10	69	1,174
	1990-91	333	527	84	104	76	19	10	52	1,205
Fringe benefits tax	1988-89	46	32	22	11	13	3	11	4	142
	1989-90	61	42	31	14	14	3	11	6	182
	1990-91	74	47	33	16	16	3	8	6	202
Total major labour costs	1988-89	17,460	13,576	7,179	4,461	4,335	1,402	679	2,307	51,399
	1989-90	18,549	14,482	7,897	4,625	4,652	1,433	742	2,540	54,919
	1990-91	20,374	15,425	8,366	5,003	5,144	1,508	731	2,711	59,261
—dollars—										
Average Cost Per Employee										
Earnings	1988-89	26,853	25,581	24,979	25,712	25,056	24,581	29,631	29,969	26,061
	1989-90	28,882	27,380	26,134	27,063	26,510	26,036	29,672	31,427	27,720
	1990-91	30,537	29,362	27,728	28,921	28,306	27,901	30,697	34,382	29,541
Other labour costs	1988-89	4,255	4,556	3,529	4,084	2,879	2,607	3,921	5,056	4,064
	1989-90	4,823	4,851	3,753	4,218	3,540	2,963	4,384	5,150	4,450
	1990-91	4,847	5,505	3,925	4,660	3,863	3,868	4,528	5,659	4,768
Superannuation	1988-89	2,651	2,575	2,284	2,460	1,677	1,694	1,624	3,933	2,480
	1989-90	2,866	2,677	2,412	2,632	2,363	1,904	2,086	3,751	2,678
	1990-91	2,788	2,982	2,506	2,782	2,656	2,825	2,141	4,425	2,839
Payroll tax	1988-89	887	1,014	854	803	519	460	1,344	278	844
	1989-90	1,185	1,057	922	865	591	563	1,345	306	977
	1990-91	1,352	1,226	979	1,070	635	583	1,516	382	1,115
Workers' compensation	1988-89	635	895	302	746	602	391	432	786	657
	1989-90	661	1,024	302	624	498	434	451	999	688
	1990-91	579	1,191	317	701	472	391	504	769	698
Fringe benefits tax	1988-89	82	72	89	75	81	62	521	60	83
	1989-90	111	93	116	96	88	62	502	93	107
	1990-91	128	106	124	106	100	68	368	83	117
Total major labour costs	1988-89	31,108	30,137	28,508	29,796	27,934	27,187	33,552	35,025	30,126
	1989-90	33,705	32,231	29,887	31,281	30,050	28,999	34,056	36,577	32,170
	1990-91	35,384	34,868	31,653	33,582	32,168	31,769	35,225	40,040	34,309



TABLE 1. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, STATES AND TERRITORIES, AND SECTOR —continued

Type of labour cost		NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
PRIVATE AND PUBLIC										
Total Costs										
—\$ millions—										
Earnings	1988-89	50,137	38,412	19,406	10,907	11,352	3,322	1,397	2,922	137,855
	1989-90	52,860	40,325	20,658	12,580	12,540	3,639	1,473	3,448	147,522
	1990-91	56,494	41,020	21,219	12,285	12,370	3,543	1,353	3,532	151,817
Other labour costs	1988-89	6,074	5,007	1,964	1,364	1,254	330	147	434	16,573
	1989-90	6,678	5,534	2,207	1,559	1,492	364	163	478	18,475
	1990-91	7,541	6,178	2,314	1,675	1,539	414	153	501	20,315
Superannuation										
Emerging cost	1988-89	422	526	88	72	146	47	23	166	1,489
	1989-90	329	612	83	48	239	51	31	149	1,543
	1990-91	188	589	46	29	237	81	26	130	1,327
Ongoing cost	1988-89	2,206	1,534	866	538	345	107	26	134	5,756
	1989-90	2,590	1,710	1,073	659	440	117	33	155	6,776
	1990-91	3,268	2,143	1,165	710	527	142	36	217	8,206
Payroll tax	1988-89	1,861	1,612	620	354	374	102	51	48	5,023
	1989-90	2,087	1,656	653	421	446	126	53	62	5,503
	1990-91	2,421	1,730	673	467	430	119	55	62	5,957
Workers' compensation	1988-89	1,232	1,107	290	349	312	59	27	77	3,453
	1989-90	1,257	1,272	270	366	277	56	24	99	3,621
	1990-91	1,170	1,385	288	398	248	58	22	79	3,648
Fringe benefits tax	1988-89	353	228	99	50	77	15	20	9	852
	1989-90	416	284	129	65	90	14	21	12	1,032
	1990-91	494	332	142	71	98	14	15	13	1,178
Total major labour costs	1988-89	56,211	43,419	21,370	12,271	12,606	3,651	1,544	3,356	154,428
	1989-90	59,538	45,859	22,865	14,140	14,032	4,003	1,636	3,925	165,998
	1990-91	64,035	47,198	23,532	13,960	13,909	3,957	1,507	4,033	172,132
Average Cost Per Employee										
—dollars—										
Earnings	1988-89	23,623	22,862	21,421	21,804	22,958	21,386	24,360	25,665	22,863
	1989-90	25,636	24,833	23,521	22,743	24,544	23,614	25,413	27,567	24,730
	1990-91	27,351	26,454	24,602	24,465	25,343	23,884	26,856	29,092	26,225
Other labour costs	1988-89	2,862	2,980	2,167	2,726	2,537	2,124	2,559	3,814	2,749
	1989-90	3,239	3,408	2,513	2,819	2,921	2,360	2,814	3,818	3,097
	1990-91	3,651	3,984	2,682	3,335	3,153	2,790	3,046	4,127	3,509
Superannuation	1988-89	1,238	1,226	1,053	1,221	994	986	845	2,633	1,202
	1989-90	1,415	1,430	1,316	1,279	1,329	1,088	1,117	2,430	1,395
	1990-91	1,673	1,762	1,404	1,472	1,564	1,504	1,231	2,856	1,647
Payroll tax	1988-89	877	959	685	708	757	659	894	423	833
	1989-90	1,012	1,020	743	760	873	818	912	496	923
	1990-91	1,172	1,115	781	929	882	802	1,083	509	1,029
Workers' compensation	1988-89	580	659	320	697	630	382	476	680	573
	1989-90	609	783	307	662	543	365	422	794	607
	1990-91	567	893	334	792	508	391	431	655	630
Fringe benefits tax	1988-89	166	136	110	101	156	96	344	78	141
	1989-90	202	175	147	118	175	90	363	98	173
	1990-91	239	214	164	142	200	93	302	106	203
Total major labour costs	1988-89	26,485	25,842	23,589	24,531	25,494	23,510	26,919	29,478	25,611
	1989-90	28,874	28,241	26,034	25,561	27,465	25,975	28,227	31,384	27,827
	1990-91	31,002	30,438	27,284	27,800	28,496	26,674	29,902	33,219	29,734



**TABLE 2. COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS: TYPE OF LABOUR COST,  
STATES AND TERRITORIES AND SECTOR, 1990-91**  
(per cent)

Type of labour cost	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
PRIVATE									
Earnings	89.1	88.2	91.6	89.1	89.5	90.6	92.3	91.1	89.3
Other labour costs	10.9	11.8	8.4	10.9	10.5	9.4	7.7	8.9	10.7
Superannuation	4.2	4.4	3.6	3.6	3.9	3.6	2.3	3.6	4.1
Payroll tax	3.8	3.7	2.7	3.4	3.8	3.7	3.0	2.7	3.6
Workers' compensation	1.9	2.7	1.3	3.3	2.0	1.6	1.4	2.1	2.2
Fringe benefits tax	1.0	0.9	0.7	0.6	0.9	0.4	1.0	0.6	0.9
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PUBLIC									
Earnings	86.3	84.2	87.6	86.1	88.0	87.8	87.1	85.9	86.1
Other labour costs	13.7	15.8	12.4	13.9	12.0	12.2	12.9	14.1	13.9
Superannuation	7.9	8.6	7.9	8.3	8.3	8.9	6.1	11.1	8.3
Payroll tax	3.8	3.5	3.1	3.2	2.0	1.8	4.3	1.0	3.2
Workers' compensation	1.6	3.4	1.0	2.1	1.5	1.2	1.4	1.9	2.0
Fringe benefits tax	0.4	0.3	0.4	0.3	0.3	0.2	1.0	0.2	0.3
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRIVATE AND PUBLIC									
Earnings	88.2	86.9	90.2	88.0	88.9	89.5	89.8	87.6	88.2
Other labour costs	11.8	13.1	9.8	12.0	11.1	10.5	10.2	12.4	11.8
Superannuation	5.4	5.8	5.1	5.3	5.5	5.6	4.1	8.6	5.5
Payroll tax	3.8	3.7	2.9	3.3	3.1	3.0	3.6	1.5	3.5
Workers' compensation	1.8	2.9	1.2	2.9	1.8	1.5	1.4	2.0	2.1
Fringe benefits tax	0.8	0.7	0.6	0.5	0.7	0.3	1.0	0.3	0.7
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**TABLE 3. RATIO OF 'OTHER LABOUR COSTS' TO EARNINGS: TYPE OF LABOUR COST,  
STATES AND TERRITORIES AND SECTOR, 1990-91**  
(per cent)

Type of labour cost	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
PRIVATE									
Superannuation	4.8	5.0	3.9	4.1	4.3	4.0	2.5	3.9	4.6
Payroll tax	4.2	4.2	3.0	3.9	4.2	4.1	3.2	3.0	4.0
Workers' compensation	2.2	3.1	1.5	3.7	2.2	1.8	1.6	2.3	2.4
Fringe benefits tax	1.1	1.0	0.8	0.7	1.0	0.5	1.1	0.6	1.0
Other labour costs	12.2	13.4	9.2	12.3	11.7	10.4	8.3	9.8	12.0
PUBLIC									
Superannuation	9.1	10.2	9.0	9.6	9.4	10.1	7.0	12.9	9.6
Payroll tax	4.4	4.2	3.5	3.7	2.2	2.1	4.9	1.1	3.8
Workers' compensation	1.9	4.1	1.1	2.4	1.7	1.4	1.6	2.2	2.4
Fringe benefits tax	0.4	0.4	0.4	0.4	0.4	0.2	1.2	0.2	0.4
Other labour costs	15.9	18.7	14.2	16.1	13.6	13.9	14.8	16.5	16.1
PRIVATE AND PUBLIC									
Superannuation	6.1	6.7	5.7	6.0	6.2	6.3	4.6	9.8	6.3
Payroll tax	4.3	4.2	3.2	3.8	3.5	3.4	4.0	1.8	3.9
Workers' compensation	2.1	3.4	1.4	3.2	2.0	1.6	1.6	2.3	2.4
Fringe benefits tax	0.9	0.8	0.7	0.6	0.8	0.4	1.1	0.4	0.8
Other labour costs	13.3	15.1	10.9	13.6	12.4	11.7	11.3	14.2	13.4



TABLE 4. SUPERANNUATION: COST PER EMPLOYEE COVERED AND PERCENTAGE COVERED, STATES AND TERRITORIES AND SECTOR

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
PRIVATE									
Cost per employee covered	—dollars—								
1988-89	1,727	1,650	1,760	1,724	1,774	1,511	2,189	2,275	1,713
1989-90	1,630	1,510	1,574	1,304	1,626	1,269	1,831	2,173	1,549
1990-91	1,828	1,834	1,333	1,307	1,681	1,304	1,119	1,492	1,677
Employees covered	—per cent—								
1988-89	42.3	44.3	32.9	40.1	38.4	42.0	19.2	37.3	40.7
1989-90	54.5	63.1	53.7	60.2	54.1	55.5	29.2	36.0	56.8
1990-91	68.0	69.5	68.8	70.3	61.4	67.7	53.0	58.9	67.9
PUBLIC									
Cost per employee covered—	—dollars—								
Total cost									
1988-89	2,831	2,811	2,519	2,688	2,355	1,743	1,893	4,208	2,742
1989-90	3,081	2,926	2,569	2,735	3,219	1,961	2,168	4,031	2,930
1990-91	3,015	3,156	2,594	2,841	3,303	2,895	2,209	4,699	3,045
Ongoing cost(a)									
1990-91	2,717	2,561	2,431	2,646	2,654	2,755	3,000	3,018	2,634
Employees covered	—per cent—								
1988-89	93.7	91.6	90.6	91.5	71.2	97.2	85.8	93.5	90.4
1989-90	93.0	91.5	93.9	96.3	73.4	97.1	96.2	93.1	91.4
1990-91	92.5	94.5	96.6	97.9	80.4	97.6	96.9	94.2	93.2
PRIVATE AND PUBLIC									
Cost per employee covered—	—dollars—								
Total cost									
1988-89	2,217	2,150	2,151	2,200	2,041	1,635	1,979	3,773	2,194
1989-90	2,186	2,015	2,001	1,831	2,218	1,582	2,055	3,592	2,090
1990-91	2,237	2,299	1,816	1,875	2,313	1,947	1,730	3,636	2,182
Ongoing cost(a)									
1990-91	2,130	2,031	1,751	1,801	1,935	1,625	1,638	2,469	1,993
Employees covered	—per cent—								
1988-89	55.9	57.0	49.0	55.5	48.7	60.3	42.7	69.8	54.8
1989-90	64.8	70.9	65.8	69.8	59.9	68.8	54.4	67.7	66.7
1990-91	74.8	76.6	77.3	78.5	67.6	77.3	71.1	78.5	75.5

(a) See *Superannuation* in the Glossary and paragraph 7 of Explanatory Notes



TABLE 5. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, INDUSTRY (a) AND SECTOR

Type of labour cost		Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport, storage and communication	Finance, property and business services	Community services	Recreation, personal and other services	Total
PRIVATE											
Total Costs											
—\$ millions—											
Earnings	1988-89	3,058	26,273	154	6,427	21,383	3,884	16,591	9,516	6,106	93,391
	1989-90	3,044	27,262	74	7,681	23,582	4,257	19,189	8,856	6,255	100,199
	1990-91	3,314	26,814	109	6,084	24,686	4,760	19,179	9,662	6,184	100,792
Other labour costs	1988-89	433	3,134	24	753	2,043	406	1,801	636	409	9,638
	1989-90	437	3,433	11	956	2,268	452	2,230	632	459	10,879
	1990-91	490	3,651	18	815	2,657	562	2,591	780	516	12,079
Superannuation	1988-89	133	813	11	263	645	110	612	328	99	3,014
	1989-90	132	995	5	389	745	139	843	365	135	3,747
	1990-91	167	1,091	9	326	1,005	180	1,179	473	200	4,629
Payroll tax	1988-89	156	1,271	9	200	773	160	720	124	170	3,583
	1989-90	164	1,303	4	251	876	157	800	98	182	3,835
	1990-91	183	1,345	7	206	962	201	844	111	172	4,031
Workers' compensation	1988-89	103	902	3	259	463	114	211	160	116	2,332
	1989-90	96	979	1	268	481	132	219	150	121	2,447
	1990-91	88	1,023	2	230	486	145	180	172	117	2,443
Fringe benefits tax	1988-89	41	148	1	32	161	22	259	24	23	710
	1989-90	45	156	1	49	167	23	368	20	22	850
	1990-91	52	191	1	53	204	36	389	23	27	976
Total major labour costs	1988-89	3,491	29,406	178	7,180	23,425	4,290	18,391	10,152	6,514	103,029
	1989-90	3,481	30,695	85	8,637	25,851	4,709	21,419	9,488	6,714	111,078
	1990-91	3,803	30,466	127	6,899	27,344	5,322	21,769	10,442	6,700	112,872
Average Cost Per Employee											
—dollars—											
Earnings	1988-89	40,722	25,385	28,527	24,806	17,656	26,236	25,066	19,405	13,953	21,600
	1989-90	43,828	27,316	32,534	30,206	19,154	25,865	29,364	19,806	14,290	23,531
	1990-91	46,427	28,405	33,288	27,058	21,330	27,946	29,083	21,529	16,170	24,815
Other labour costs	1988-89	5,765	3,028	4,514	2,907	1,686	2,743	2,721	1,297	934	2,229
	1989-90	6,296	3,440	4,817	3,761	1,843	2,743	3,412	1,413	1,050	2,555
	1990-91	6,861	3,868	5,454	3,624	2,296	3,298	3,929	1,737	1,349	2,974
Superannuation	1988-89	1,775	785	2,086	1,015	533	740	925	668	227	697
	1989-90	1,902	997	2,201	1,530	605	847	1,290	815	308	880
	1990-91	2,333	1,156	2,615	1,448	868	1,056	1,787	1,055	524	1,140
Payroll tax	1988-89	2,077	1,228	1,599	770	638	1,084	1,087	254	389	829
	1989-90	2,360	1,306	1,774	985	712	952	1,224	219	417	901
	1990-91	2,559	1,425	2,006	915	832	1,183	1,279	246	450	992
Workers' compensation	1988-89	1,365	872	595	1,000	382	773	318	326	266	539
	1989-90	1,385	981	580	1,055	391	804	335	335	275	575
	1990-91	1,239	1,084	546	1,023	420	849	273	383	305	602
Fringe benefits tax	1988-89	548	143	234	122	133	146	391	48	52	164
	1989-90	649	156	261	191	136	140	563	44	50	200
	1990-91	729	203	288	237	176	210	589	52	70	240
Total major labour costs	1988-89	46,487	28,413	33,041	27,713	19,342	28,979	27,787	20,702	14,887	23,830
	1989-90	50,123	30,756	37,350	33,967	20,997	28,608	32,776	21,220	15,340	26,086
	1990-91	53,288	32,273	38,742	30,682	23,626	31,244	33,012	23,266	17,520	27,788

(a) Finer level industry statistics are available on request.



TABLE 5. MAJOR LABOUR COSTS: TYPE OF LABOUR COST AND INDUSTRY(a) AND SECTOR —continued

Type of labour cost		Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport and storage	Communi- cation	Finance, property and business services	Public administra- tion and defence	Community services	Recreation, personal and other services	Total
PUBLIC													
—\$ million—													
<b>Total Costs</b>													
<b>Earnings</b>	1988-89	261	1,009	3,346	1,179	125	4,064	3,411	2,500	7,871	20,144	555	44,465
	1989-90	272	771	3,523	1,423	122	4,137	3,662	2,653	8,289	21,830	642	47,323
	1990-91	297	913	3,520	1,367	143	4,341	3,905	2,994	9,441	23,465	638	51,024
<b>Other labour costs</b>	1988-89	58	182	599	227	17	764	738	519	1,171	2,592	70	6,934
	1989-90	58	163	625	254	17	834	805	552	1,276	2,946	67	7,597
	1990-91	61	167	703	282	22	898	869	508	1,379	3,269	78	8,236
Superannuation—													
Emerging cost	1988-89	1	31	35	64	—	255	29	18	460	593	3	1,489
	1989-90	*—	37	27	80	*—	176	71	36	470	641	4	1,543
	1990-91	—	2	33	40	—	150	1	21	395	684	1	1,327
On-going cost	1988-89	22	74	260	59	8	169	422	260	358	1,070	41	2,742
	1989-90	23	54	298	68	8	274	428	244	439	1,157	37	3,029
	1990-91	21	81	324	126	10	324	531	184	597	1,332	47	3,577
Payroll tax	1988-89	15	41	186	54	6	204	194	132	111	487	10	1,440
	1989-90	16	38	190	65	5	220	213	150	104	654	14	1,668
	1990-91	18	49	216	73	8	244	235	177	124	766	15	1,926
Workers' compensation	1988-89	19	34	106	44	2	125	83	54	217	422	14	1,121
	1989-90	18	30	97	36	2	149	76	51	232	472	10	1,174
	1990-91	21	31	113	37	2	164	84	40	237	463	12	1,205
Fringe benefits tax	1988-89	1	2	11	5	*1	11	11	56	25	20	1	142
	1989-90	1	3	13	5	1	15	18	71	31	23	*2	182
	1990-91	1	4	17	6	*2	15	18	85	26	24	2	202
<b>Total major labour costs</b>	1988-89	318	1,190	3,945	1,406	142	4,828	4,149	3,019	9,042	22,736	625	51,399
	1989-90	330	933	4,148	1,677	138	4,971	4,467	3,205	9,564	24,776	710	54,919
	1990-91	358	1,080	4,223	1,649	166	5,239	4,773	3,503	10,820	26,734	716	59,261
—dollars—													
<b>Average Cost Per Employee</b>													
<b>Earnings</b>	1988-89	38,458	25,089	30,246	27,665	24,699	30,210	27,277	23,034	25,377	25,181	24,560	26,061
	1989-90	42,919	26,978	33,529	29,703	25,767	31,929	28,572	23,729	26,799	26,921	25,836	27,720
	1990-91	50,396	30,380	34,271	30,313	31,176	34,334	30,712	27,078	28,715	28,501	28,149	29,541
<b>Other labour costs</b>	1988-89	8,492	4,521	5,411	5,319	3,271	5,680	5,900	4,784	3,775	3,240	3,077	4,064
	1989-90	9,142	5,690	5,946	5,307	3,510	6,432	6,284	4,939	4,124	3,634	2,710	4,450
	1990-91	10,327	5,558	6,845	6,259	4,839	7,098	6,831	4,599	4,195	3,970	3,431	4,768
Superannuation	1988-89	3,350	2,599	2,670	2,895	1,532	3,152	3,605	2,557	2,639	2,079	1,942	2,480
	1989-90	3,653	3,183	3,088	3,089	1,774	3,476	3,894	2,507	2,938	2,217	1,656	2,678
	1990-91	3,585	2,745	3,478	3,683	2,137	3,747	4,182	1,857	3,018	2,449	2,116	2,839
Payroll tax	1988-89	2,200	1,025	1,682	1,275	1,104	1,519	1,550	1,216	358	608	441	844
	1989-90	2,491	1,339	1,808	1,362	1,022	1,697	1,658	1,340	337	806	561	977
	1990-91	3,111	1,633	2,101	1,610	1,713	1,933	1,846	1,604	378	930	674	1,115
Workers' compensation	1988-89	2,857	841	960	1,037	426	927	660	500	700	528	641	657
	1989-90	2,900	1,061	923	756	504	1,147	590	460	749	582	407	688
	1990-91	3,508	1,034	1,104	827	517	1,297	660	365	720	562	546	698
Fringe benefits tax	1988-89	85	57	98	112	210	82	86	512	79	25	53	83
	1989-90	97	107	126	100	209	113	142	633	100	28	86	107
	1990-91	123	145	162	139	*472	121	144	773	80	29	95	117
<b>Total major labour costs</b>	1988-89	46,950	29,610	35,656	32,983	27,970	35,890	33,177	27,818	29,152	28,420	27,637	30,126
	1989-90	52,061	32,668	39,474	35,011	29,277	38,361	34,857	30,555	30,923	30,555	28,546	32,170
	1990-91	60,724	35,938	41,116	36,572	36,015	41,433	37,543	31,677	32,910	32,472	31,579	34,309



TABLE 5. MAJOR LABOUR COSTS: TYPE OF LABOUR COST AND INDUSTRY(a) AND SECTOR — continued

Type of labour cost		Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport, storage and communication	Finance, property and business services	Public administration and defence	Community services	Recreation, personal and other services	Total
PRIVATE AND PUBLIC												
—\$ million—												
<b>Total Costs</b>												
<b>Earnings</b>	1988-89	3,319	27,281	3,500	7,606	21,508	11,359	19,090	7,871	29,661	6,661	137,855
	1989-90	3,316	28,032	3,597	9,103	23,704	12,056	21,842	8,289	30,686	6,897	147,522
	1990-91	3,611	27,728	3,629	7,450	24,830	13,006	22,173	9,441	33,128	6,822	151,817
<b>Other labour costs</b>	1988-89	490	3,316	623	980	2,059	1,908	2,320	1,171	3,228	478	16,573
	1989-90	495	3,596	636	1,211	2,285	2,090	2,782	1,276	3,578	527	18,475
	1990-91	551	3,818	721	1,097	2,680	2,328	3,099	1,379	4,049	594	20,315
Superannuation—												
Emerging cost	1988-89	1	31	35	64	—	283	18	460	593	3	1,489
	1989-90	*—	37	27	80	*—	247	36	470	641	4	1,543
	1990-91	—	2	33	40	—	150	21	395	684	1	1,327
Ongoing cost	1988-89	155	887	271	322	653	701	872	358	1,398	140	5,756
	1989-90	155	1,049	303	457	753	841	1,087	439	1,522	172	6,776
	1990-91	188	1,172	333	452	1,015	1,034	1,363	597	1,805	247	8,206
Payroll tax	1988-89	171	1,312	195	254	779	559	851	111	611	180	5,023
	1989-90	180	1,342	194	316	881	589	950	104	752	196	5,503
	1990-91	201	1,394	222	278	970	681	1,021	124	877	188	5,957
Workers' compensation	1988-89	122	936	109	303	465	322	265	217	582	131	3,453
	1989-90	115	1,009	98	304	483	357	270	232	622	131	3,621
	1990-91	109	1,054	115	267	489	393	220	237	635	129	3,648
Fringe benefits tax	1988-89	42	150	12	36	162	43	314	25	43	24	852
	1989-90	46	159	14	53	168	56	439	31	42	24	1,032
	1990-91	53	196	18	60	206	69	474	26	47	29	1,178
<b>Total major labour costs</b>	1988-89	3,809	30,597	4,123	8,586	23,567	13,267	21,410	9,042	32,888	7,139	154,428
	1989-90	3,811	31,628	4,233	10,314	25,989	14,147	24,624	9,564	34,264	7,424	165,998
	1990-91	4,161	31,546	4,350	8,548	27,510	15,334	25,272	10,820	37,176	7,415	172,132
Average Cost Per Employee												
—dollars—												
<b>Earnings</b>	1988-89	40,535	25,374	30,166	25,210	17,685	27,867	24,780	25,377	22,986	14,474	22,863
	1989-90	43,752	27,306	33,508	30,126	19,179	28,547	28,541	26,799	24,392	14,910	24,730
	1990-91	46,729	28,466	34,240	27,602	21,369	30,681	28,795	28,715	26,042	16,841	26,225
<b>Other labour costs</b>	1988-89	5,991	3,084	5,369	3,248	1,693	4,681	3,011	3,775	2,501	1,039	2,749
	1989-90	6,533	3,503	5,922	4,006	1,849	4,950	3,635	4,124	2,845	1,139	3,097
	1990-91	7,126	3,920	6,802	4,064	2,306	5,491	4,025	4,195	3,183	1,466	3,509
Superannuation	1988-89	1,905	853	2,643	1,280	537	2,415	1,155	2,639	1,543	311	1,202
	1989-90	2,048	1,058	3,070	1,777	609	2,578	1,468	2,938	1,719	380	1,395
	1990-91	2,429	1,205	3,451	1,821	873	2,796	1,797	3,018	1,957	613	1,647
Payroll tax	1988-89	2,087	1,220	1,678	842	640	1,370	1,105	358	474	391	833
	1989-90	2,371	1,307	1,807	1,045	713	1,395	1,241	337	597	424	923
	1990-91	2,601	1,431	2,098	1,031	835	1,605	1,326	378	689	463	1,029
Workers' compensation	1988-89	1,489	871	943	1,005	383	789	344	700	451	284	573
	1989-90	1,512	983	916	1,008	391	844	353	749	495	283	607
	1990-91	1,412	1,082	1,087	991	421	926	286	720	499	319	630
Fringe benefits tax	1988-89	510	140	105	121	133	106	408	79	34	52	141
	1989-90	603	155	129	177	136	132	574	100	34	52	173
	1990-91	683	201	166	221	177	164	616	80	37	71	203
<b>Total major labour costs</b>	1988-89	46,525	28,457	35,535	28,458	19,378	32,548	27,791	29,152	25,487	15,513	25,611
	1989-90	50,285	30,809	39,429	34,132	21,028	33,497	32,176	30,923	27,237	16,049	27,827
	1990-91	53,855	32,386	41,043	31,646	23,675	36,172	32,820	32,910	29,224	18,306	29,734

(a) Finer level industry statistics are available on request.



TABLE 6. COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS: TYPE OF LABOUR COST, INDUSTRY(a) AND SECTOR, 1990-91  
(per cent)

Type of labour cost	Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport, storage and communication	Finance, property and business services	Public Administration and Defence	Community services	Recreation, personal and other services	Total
PRIVATE											
Earnings	87.1	88.0	85.9	88.2	90.3	89.4	88.1	..	92.5	92.3	89.3
Other labour costs	12.9	12.0	14.1	11.8	9.7	10.6	11.9	..	7.5	7.7	10.7
Superannuation	4.4	3.6	6.7	4.7	3.7	3.4	5.4	..	4.5	3.0	4.1
Payroll tax	4.8	4.4	5.2	3.0	3.5	3.8	3.9	..	1.1	2.6	3.6
Workers' compensation	2.3	3.4	1.4	3.3	1.8	2.7	0.8	..	1.6	1.7	2.2
Fringe benefits tax	1.4	0.6	0.7	0.8	0.7	0.7	1.8	..	0.2	0.4	0.9
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0	..	100.0	100.0	100.0
PUBLIC											
Earnings	83.0	84.5	83.4	82.9	86.6	82.4	85.5	87.3	87.8	89.1	86.1
Other labour costs	17.0	15.5	16.6	17.1	13.4	17.6	14.5	12.7	12.2	10.9	13.9
Superannuation	5.9	7.6	8.5	10.1	5.9	10.0	5.9	9.2	7.5	6.7	8.3
Payroll tax	5.1	4.5	5.1	4.4	4.8	4.8	5.1	1.1	2.9	2.1	3.2
Workers' compensation	5.8	2.9	2.7	2.3	1.4	2.5	1.2	2.2	1.7	1.7	2.0
Fringe benefits tax	0.2	0.4	0.4	0.4	*1.3	0.3	2.4	0.2	0.1	0.3	0.3
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRIVATE AND PUBLIC											
Earnings	86.8	87.9	83.4	87.2	90.3	84.8	87.7	87.3	89.1	92.0	88.2
Other labour costs	13.2	12.1	16.6	12.8	9.7	15.2	12.3	12.7	10.9	8.0	11.8
Superannuation	4.5	3.7	8.4	5.8	3.7	7.7	5.5	9.2	6.7	3.3	5.5
Payroll tax	4.8	4.4	5.1	3.3	3.5	4.4	4.0	1.1	2.4	2.5	3.5
Workers' compensation	2.6	3.3	2.6	3.1	1.8	2.6	0.9	2.2	1.7	1.7	2.1
Fringe benefits tax	1.3	0.6	0.4	0.7	0.7	0.5	1.9	0.2	0.1	0.4	0.7
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) Finer level industry statistics are available on request



TABLE 7. RATIO OF 'OTHER LABOUR COSTS' TO EARNINGS: TYPE OF LABOUR COST, INDUSTRY(a) AND SECTOR, 1990-91  
(per cent)

Type of labour cost	Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport storage and communication	Finance, property and business services	Public administration and defence	Community services	Recreation, personal and other services	Total
PRIVATE											
Superannuation	5.0	4.1	7.9	5.4	4.1	3.8	6.1	..	4.9	3.2	4.6
Payroll tax	5.5	5.0	6.0	3.4	3.9	4.2	4.4	..	1.1	2.8	4.0
Workers' compensation	2.7	3.8	1.6	3.8	2.0	3.0	0.9	..	1.8	1.9	2.4
Fringe benefits tax	1.6	0.7	0.9	0.9	0.8	0.8	2.0	..	0.2	0.4	1.0
Other labour costs	14.8	13.6	16.4	13.4	10.8	11.8	13.5	..	8.1	8.3	12.0
PUBLIC											
Superannuation	7.1	9.0	10.1	12.1	6.9	12.2	6.9	10.5	8.6	7.5	9.6
Payroll tax	6.2	5.4	6.1	5.3	5.5	5.8	5.9	1.3	3.3	2.4	3.8
Workers' compensation	7.0	3.4	3.2	2.7	1.7	3.0	1.3	2.5	2.0	1.9	2.4
Fringe benefits tax	0.2	0.5	0.5	0.5	*1.5	0.4	2.9	0.3	0.1	0.3	0.4
Other labour costs	20.5	18.3	20.0	20.7	15.5	21.4	17.0	14.6	14.0	12.2	16.1
PRIVATE AND PUBLIC											
Superannuation	5.2	4.2	10.1	6.6	4.1	9.1	6.2	10.5	7.5	3.6	6.3
Payroll tax	5.6	5.0	6.1	3.7	3.9	5.2	4.6	1.3	2.6	2.7	3.9
Workers' compensation	3.0	3.8	3.2	3.6	2.0	3.0	1.0	2.5	1.9	1.9	2.4
Fringe benefits tax	1.5	0.7	0.5	0.8	0.8	0.5	2.1	0.3	0.1	0.4	0.8
Other labour costs	15.2	13.8	19.9	14.7	10.8	17.9	14.0	14.6	12.2	8.7	13.4

(a) Finer level industry statistics are available on request.



TABLE 8. SUPERANNUATION: COST PER EMPLOYEE COVERED AND PERCENTAGE COVERED, INDUSTRY(a) AND SECTOR

Type of labour cost	Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport, storage and communication	Finance, property and business services	Public Administration and defence	Community services	Recreation, personal and other services	Total
PRIVATE											
Cost per employee covered	—dollars—										
1988-89	2,227	1,285	2,332	2,040	1,895	1,734	2,294	..	1,752	1,306	1,713
1989-90	2,240	1,271	2,410	2,425	1,264	1,679	2,387	..	1,339	1,148	1,549
1990-91	2,710	1,370	2,760	2,087	1,449	1,632	2,657	..	1,481	1,143	1,677
Employees covered	—per cent—										
1988-89	79.7	61.1	89.4	49.7	28.1	42.7	40.3	..	38.1	17.4	40.7
1989-90	84.9	78.4	91.3	63.1	47.8	50.4	54.0	..	60.9	26.8	56.8
1990-91	86.1	84.4	94.7	69.4	59.9	64.7	67.3	..	71.2	45.8	67.9
PUBLIC											
Cost per employee covered—	—dollars—										
Total cost											
1988-89	3,625	2,870	2,747	3,042	2,362	3,446	2,879	3,015	2,348	2,296	2,742
1989-90	4,117	3,480	3,177	3,178	2,181	3,853	2,775	3,285	2,458	1,982	2,930
1990-91	3,877	2,938	3,632	3,796	2,482	4,009	1,949	3,220	2,703	2,361	3,045
Ongoing cost(b)											
1990-91	3,877	2,942	3,424	3,300	2,492	3,712	1,794	2,086	2,423	2,434	2,634
Employees covered	—per cent—										
1988-89	92.4	90.6	97.2	95.1	64.9	96.5	88.8	87.5	88.5	84.6	90.4
1989-90	88.7	91.5	97.2	97.2	81.3	95.6	90.3	89.4	90.2	83.6	91.4
1990-91	92.5	93.4	95.8	97.0	86.1	98.9	95.3	93.7	90.6	89.6	93.2
PRIVATE AND PUBLIC											
Cost per employee covered—	—dollars—										
Total cost											
1988-89	2,359	1,371	2,729	2,280	1,899	3,105	2,449	3,015	2,223	1,505	2,194
1989-90	2,403	1,342	3,162	2,595	1,270	3,305	2,473	3,285	2,154	1,274	2,090
1990-91	2,805	1,423	3,605	2,461	1,454	3,284	2,521	3,220	2,336	1,270	2,182
Ongoing cost(b)											
1990-91	2,805	1,423	3,403	2,325	1,454	3,039	2,494	2,086	2,077	1,272	1,993
Employees covered	—per cent—										
1988-89	80.7	62.2	96.8	56.2	28.3	77.8	47.1	87.5	69.4	20.7	54.8
1989-90	85.2	78.8	97.1	68.5	48.0	78.0	59.3	89.4	79.8	29.9	66.7
1990-91	86.6	84.7	95.7	74.0	60.0	85.1	71.3	93.7	83.8	48.3	75.5

(a) Finer level industry statistics are available on request. (b) See *Superannuation* in the Glossary and paragraph 7 of Explanatory Notes



TABLE 9. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, EMPLOYER SIZE AND SECTOR

Type of labour cost		Less than 20 employees	20-99 employees	100 or more employees	Total
PRIVATE					
Total Costs		—\$ million—			
Earnings	1988-89	25,298	21,085	47,008	93,391
	1989-90	26,860	23,851	49,488	100,199
	1990-91	29,052	25,222	46,518	100,792
Other labour costs	1988-89	1,814	2,199	5,625	9,638
	1989-90	2,093	2,588	6,198	10,879
	1990-91	2,859	2,944	6,276	12,079
Superannuation	1988-89	921	588	1,505	3,014
	1989-90	1,164	794	1,789	3,747
	1990-91	1,813	931	1,884	4,629
Payroll tax	1988-89	185	916	2,482	3,583
	1989-90	208	1,013	2,614	3,835
	1990-91	234	1,120	2,678	4,031
Workers' compensation	1988-89	568	529	1,234	2,332
	1989-90	567	575	1,305	2,447
	1990-91	596	653	1,195	2,443
Fringe benefits tax	1988-89	140	166	404	710
	1989-90	156	205	489	850
	1990-91	217	240	519	976
Total major labour costs	1988-89	27,112	23,284	52,633	103,029
	1989-90	28,954	26,439	55,686	111,078
	1990-91	31,911	28,166	52,794	112,872
Average Cost Per Employee		—dollars—			
Earnings	1988-89	18,092	23,121	23,348	21,600
	1989-90	20,353	24,211	25,329	23,531
	1990-91	21,253	25,198	27,462	24,815
Other labour costs	1988-89	1,297	2,411	2,794	2,229
	1989-90	1,586	2,627	3,172	2,555
	1990-91	2,092	2,941	3,705	2,974
Superannuation	1988-89	658	645	748	697
	1989-90	881	806	916	880
	1990-91	1,326	930	1,112	1,140
Payroll tax	1988-89	133	1,004	1,233	829
	1989-90	157	1,029	1,338	901
	1990-91	171	1,119	1,581	992
Workers' compensation	1988-89	406	580	613	539
	1989-90	430	584	668	575
	1990-91	436	652	705	602
Fringe benefits tax	1988-89	100	182	201	164
	1989-90	118	208	250	200
	1990-91	159	239	307	240
Total major labour costs	1988-89	19,390	25,532	26,142	23,830
	1989-90	21,939	26,838	28,501	26,086
	1990-91	23,345	28,138	31,167	27,788



TABLE 9. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, EMPLOYER SIZE AND SECTOR —continued

Type of labour cost		Less than 20 employees	20-99 employees	100 or more employees	Total
PUBLIC					
Total Cost		—\$ million—			
Earnings	1988-89	195	1,092	43,178	44,465
	1989-90	198	1,135	45,990	47,323
	1990-91	231	1,194	49,599	51,024
Other labour costs	1988-89	24	128	6,783	6,934
	1989-90	19	143	7,434	7,597
	1990-91	25	150	8,061	8,236
Superannuation—					
Emerging cost	1988-89	*6	*19	1,465	1,489
	1989-90	*4	*26	1,513	1,543
	1990-91	9	19	1,299	1,327
Ongoing cost	1988-89	11	66	2,664	2,742
	1989-90	9	72	2,948	3,029
	1990-91	11	81	3,485	3,577
Payroll tax	1988-89	*1	12	1,426	1,440
	1989-90	1	14	1,653	1,668
	1990-91	1	19	1,906	1,926
Workers' compensation	1988-89	4	26	1,091	1,121
	1989-90	4	26	1,144	1,174
	1990-91	4	25	1,176	1,205
Fringe benefits tax	1988-89	1	5	136	142
	1989-90	1	6	175	182
	1990-91	1	6	195	202
Total major labour costs	1988-89	218	1,220	49,961	51,399
	1989-90	217	1,278	53,424	54,919
	1990-91	256	1,344	57,661	59,261
Average Cost Per Employee		—dollars—			
Earnings	1988-89	17,329	21,874	26,248	26,061
	1989-90	17,740	23,615	27,908	27,720
	1990-91	18,907	25,690	29,726	29,541
Other labour costs	1988-89	2,108	2,565	4,123	4,064
	1989-90	*1,701	2,978	4,511	4,450
	1990-91	2,057	3,221	4,831	4,768
Superannuation	1988-89	1,547	1,700	2,510	2,480
	1989-90	*1,183	2,035	2,707	2,678
	1990-91	1,613	2,162	2,867	2,839
Payroll tax	1988-89	*113	247	867	844
	1989-90	*76	289	1,003	977
	1990-91	70	399	1,143	1,115
Workers' compensation	1988-89	344	524	663	657
	1989-90	376	534	694	688
	1990-91	307	541	705	698
Fringe benefits tax	1988-89	*104	94	83	83
	1989-90	*66	119	106	107
	1990-91	67	119	117	117
Total major labour costs	1988-89	19,437	24,439	30,371	30,126
	1989-90	19,441	26,593	32,419	32,170
	1990-91	20,964	28,911	34,557	34,309



TABLE 9. MAJOR LABOUR COSTS: TYPE OF LABOUR COST, EMPLOYER SIZE AND SECTOR —continued

Type of labour cost		Less than 20 employees	20-99 employees	100 or more employees	Total
PRIVATE AND PUBLIC					
Total Cost		—\$ million—			
Earnings	1988-89	25,492	22,177	90,186	137,855
	1989-90	27,059	24,986	95,478	147,522
	1990-91	29,283	26,416	96,118	151,817
Other labour costs	1988-89	1,838	2,327	12,408	16,573
	1989-90	2,112	2,731	13,632	18,475
	1990-91	2,884	3,093	14,337	20,315
Superannuation—					
Emerging cost	1988-89	*6	*19	1,465	1,489
	1989-90	*4	*26	1,513	1,543
	1990-91	9	19	1,299	1,327
Ongoing cost	1988-89	932	654	4,169	5,756
	1989-90	1,173	866	4,737	6,776
	1990-91	1,824	1,012	5,369	8,206
Payroll tax	1988-89	187	928	3,908	5,023
	1989-90	208	1,027	4,267	5,503
	1990-91	234	1,138	4,584	5,957
Workers' compensation	1988-89	572	556	2,325	3,453
	1989-90	571	601	2,449	3,621
	1990-91	599	678	2,371	3,648
Fringe benefits tax	1988-89	141	171	540	852
	1989-90	156	211	665	1,032
	1990-91	218	245	715	1,178
Total major labour costs	1988-89	27,330	24,504	102,594	154,428
	1989-90	29,171	27,717	109,110	165,998
	1990-91	32,168	29,509	110,455	172,132
Average Cost Per Employee		—dollars—			
Earnings	1988-89	18,086	23,056	24,652	22,863
	1989-90	20,331	24,183	26,509	24,730
	1990-91	21,233	25,219	28,585	26,225
Other labour costs	1988-89	1,304	2,419	3,392	2,749
	1989-90	1,587	2,643	3,785	3,097
	1990-91	2,091	2,953	4,264	3,509
Superannuation	1988-89	666	699	1,540	1,202
	1989-90	883	863	1,735	1,395
	1990-91	1,329	985	1,983	1,647
Payroll tax	1988-89	132	965	1,068	833
	1989-90	157	994	1,185	923
	1990-91	170	1,087	1,363	1,029
Workers' compensation	1988-89	406	578	636	573
	1989-90	429	582	680	607
	1990-91	435	647	705	630
Fringe benefits tax	1988-89	100	178	148	141
	1989-90	117	204	185	173
	1990-91	158	234	212	203
Total major labour costs	1988-89	19,390	25,476	28,044	25,611
	1989-90	21,918	26,826	30,293	27,827
	1990-91	23,324	28,173	32,849	29,734



TABLE 10. COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS: TYPE OF LABOUR COST,  
EMPLOYER SIZE AND SECTOR, 1990-91  
(per cent)

Type of labour cost	Less than 20 employees	20-99 employees	100 or more employees	Total
PRIVATE				
Earnings	91.0	89.5	88.1	89.3
Other labour costs	9.0	10.5	11.9	10.7
Superannuation	5.7	3.3	3.6	4.1
Payroll tax	0.7	4.0	5.1	3.6
Workers' compensation	1.9	2.3	2.3	2.2
Fringe benefits tax	0.7	0.9	1.0	0.9
Total major labour costs	100.0	100.0	100.0	100.0
PUBLIC				
Earnings	90.2	88.9	86.0	86.1
Other labour costs	9.8	11.1	14.0	13.9
Superannuation	7.7	7.5	8.3	8.3
Payroll tax	0.3	1.4	3.3	3.2
Workers' compensation	1.5	1.9	2.0	2.0
Fringe benefits tax	0.3	0.4	0.3	0.3
Total major labour costs	100.0	100.0	100.0	100.0
PRIVATE AND PUBLIC				
Earnings	91.0	89.5	87.0	88.2
Other labour costs	9.0	10.5	13.0	11.8
Superannuation	5.7	3.5	6.0	5.5
Payroll tax	0.7	3.9	4.2	3.5
Workers' compensation	1.9	2.3	2.1	2.1
Fringe benefits tax	0.7	0.8	0.6	0.7
Total major labour costs	100.0	100.0	100.0	100.0

TABLE 11. RATIO OF 'OTHER LABOUR COSTS' TO EARNINGS: TYPE OF LABOUR COST,  
EMPLOYER SIZE AND SECTOR, 1990-91  
(per cent)

Type of labour cost	Less than 20 employees	20-99 employees	100 or more employees	Total
PRIVATE				
Superannuation	6.2	3.7	4.1	4.6
Payroll tax	0.8	4.4	5.8	4.0
Workers' compensation	2.1	2.6	2.6	2.4
Fringe benefits tax	0.7	1.0	1.1	1.0
Other labour costs	9.8	11.7	13.5	12.0
PUBLIC				
Superannuation	8.5	8.4	9.6	9.6
Payroll tax	0.4	1.6	3.8	3.8
Workers' compensation	1.6	2.1	2.4	2.4
Fringe benefits tax	0.4	0.5	0.4	0.4
Other labour costs	10.9	12.5	16.3	16.1
PRIVATE AND PUBLIC				
Superannuation	6.3	3.9	6.9	6.3
Payroll tax	0.8	4.3	4.8	3.9
Workers' compensation	2.0	2.6	2.5	2.4
Fringe benefits tax	0.7	0.9	0.7	0.8
Other labour costs	9.9	11.7	14.9	13.4



TABLE 12. SUPERANNUATION: COST PER EMPLOYEE COVERED AND PERCENTAGE COVERED, EMPLOYER SIZE AND SECTOR

Type of labour cost	Less than 20 employees	20-99 employees	100 or more employees	Total
PRIVATE				
Cost per employee covered	—dollars—			
1988-89	3,110	1,660	1,357	1,713
1989-90	2,221	1,437	1,332	1,549
1990-91	2,454	1,334	1,425	1,677
Employees covered	—per cent—			
1988-89	21.2	38.8	55.1	40.7
1989-90	39.7	56.1	68.7	56.8
1990-91	54.0	69.7	78.1	67.9
PUBLIC				
Cost per employee covered—	—dollars—			
Total cost				
1988-89	3,303	2,254	2,752	2,742
1989-90	*2,113	2,422	2,947	2,930
1990-91	2,288	2,468	3,065	3,045
Ongoing cost(a)				
1990-91	1,519	2,126	2,655	2,634
Employees covered	—per cent—			
1988-89	46.8	75.4	91.2	90.4
1989-90	56.0	84.0	91.9	91.4
1990-91	70.5	87.6	93.6	93.2
PRIVATE AND PUBLIC				
Cost per employee covered—	—dollars—			
Total cost				
1988-89	3,113	1,717	2,159	2,194
1989-90	2,219	1,504	2,188	2,090
1990-91	2,452	1,396	2,313	2,182
Ongoing cost(a)				
1990-91	2,445	1,375	2,038	1,993
Employees covered	—per cent—			
1988-89	21.4	40.7	71.3	54.8
1989-90	39.8	57.4	79.3	66.7
1990-91	54.2	70.5	85.8	75.5

(a) See *Superannuation* in the Glossary and paragraph 7 of Explanatory Notes.



TABLE 13. MAJOR LABOUR COSTS, PUBLIC SECTOR: TYPE OF LABOUR COST, INSTITUTIONAL SECTOR AND LEVEL OF GOVERNMENT

		Institutional sector		Level of government			
Type of labour cost		Trading	Non-trading	Commonwealth	State	Local	Total
Total Costs		—\$ million—					
Earnings	1988-89	12,709	31,756	11,360	29,668	3,437	44,463
	1989-90	13,284	34,038	11,180	32,500	3,643	47,323
	1990-91	14,046	36,978	12,288	34,850	3,886	51,024
Other labour costs	1988-89	2,548	4,387	2,157	4,337	440	6,934
	1989-90	2,689	4,908	2,165	4,952	480	7,591
	1990-91	2,825	5,411	2,251	5,444	541	8,236
Superannuation—							
Emerging cost	1988-89	315	1,174	599	891	..	1,489
	1989-90	305	1,239	602	941	—	1,543
	1990-91	187	1,140	387	940	—	1,327
Ongoing cost	1988-89	1,081	1,662	869	1,587	286	2,742
	1989-90	1,156	1,873	847	1,864	319	3,029
	1990-91	1,262	2,315	1,094	2,125	357	3,577
Payroll tax	1988-89	704	736	333	1,069	37	1,440
	1989-90	748	920	363	1,269	36	1,668
	1990-91	845	1,080	430	1,455	41	1,926
Workers' compensation	1988-89	360	761	296	718	107	1,121
	1989-90	369	805	275	785	114	1,174
	1990-91	401	804	256	819	130	1,205
Fringe benefits tax	1988-89	89	53	60	72	11	142
	1989-90	111	71	78	93	11	182
	1990-91	130	71	84	105	13	202
Total major labour costs	1988-89	15,257	36,143	13,517	34,005	3,877	51,399
	1989-90	15,973	38,946	13,345	37,452	4,122	54,919
	1990-91	16,871	42,390	14,539	40,294	4,427	59,261
Average Cost Per Employee		—dollars—					
Earnings	1988-89	27,980	25,365	27,689	25,952	22,506	26,061
	1989-90	29,669	27,027	28,624	27,912	23,931	27,720
	1990-91	32,020	28,697	31,592	29,475	24,920	29,541
Other labour costs	1988-89	5,609	3,504	5,259	3,794	2,882	4,064
	1989-90	6,005	3,897	5,542	4,253	3,153	4,450
	1990-91	6,440	4,199	5,788	4,604	3,469	4,768
Superannuation	1988-89	3,072	2,265	3,577	2,167	1,873	2,480
	1989-90	3,262	2,471	3,710	2,409	2,094	2,678
	1990-91	3,302	2,682	3,809	2,593	2,291	2,839
Payroll tax	1988-89	1,549	588	813	935	242	844
	1989-90	1,670	731	930	1,090	237	977
	1990-91	1,927	838	1,106	1,230	262	1,115
Workers' compensation	1988-89	792	608	723	628	698	657
	1989-90	825	639	703	675	749	688
	1990-91	914	624	658	692	835	698
Fringe benefits tax	1988-89	195	43	146	63	69	83
	1989-90	248	56	199	80	73	107
	1990-91	297	55	215	89	81	117
Total major labour costs	1988-89	33,588	28,870	32,948	29,746	25,389	30,126
	1989-90	35,674	30,924	34,166	32,165	27,084	32,170
	1990-91	38,460	32,896	37,380	34,080	28,389	34,309



**TABLE 14. COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS, PUBLIC SECTOR: TYPE OF LABOUR COST, INSTITUTIONAL SECTOR AND LEVEL OF GOVERNMENT, 1990-91**  
(per cent)

Type of labour cost	Institutional sector		Level of government			Total
	Trading	Non-trading	Commonwealth	State	Local	
Earnings	83.3	87.2	84.5	86.5	87.8	86.1
Other labour costs	16.7	12.8	15.5	13.5	12.2	13.9
Superannuation	8.6	8.2	10.2	7.6	8.1	8.3
Payroll tax	5.0	2.5	3.0	3.6	0.9	3.2
Workers' compensation	2.4	1.9	1.8	2.0	2.9	2.0
Fringe benefits tax	0.8	0.2	0.6	0.3	0.3	0.3
Total major labour costs	100.0	100.0	100.0	100.0	100.0	100.0

**TABLE 15. RATIO OF 'OTHER LABOUR COSTS' TO EARNINGS, PUBLIC SECTOR: TYPE OF LABOUR COST, INSTITUTIONAL SECTOR AND LEVEL OF GOVERNMENT, 1990-91**  
(per cent)

Type of labour cost	Institutional sector		Level of government			Total
	Trading	Non-trading	Commonwealth	State	Local	
Superannuation	10.3	9.3	12.1	8.8	9.2	9.6
Payroll tax	6.0	2.9	3.5	4.2	1.1	3.8
Workers' compensation	2.9	2.2	2.0	2.3	3.4	2.4
Fringe benefits tax	0.9	0.2	0.7	0.3	0.3	0.4
Other labour costs	20.1	14.6	18.3	15.6	13.9	16.1

**TABLE 16. SUPERANNUATION, PUBLIC SECTOR: COST PER EMPLOYEE COVERED AND PERCENTAGE COVERED, INSTITUTIONAL SECTOR AND LEVEL OF GOVERNMENT**

	<i>Institutional sector</i>		<i>Level of government</i>			
<i>Type of labour cost</i>	<i>Trading</i>	<i>Non-trading</i>	<i>Commonwealth</i>	<i>State</i>	<i>Local</i>	<i>Total</i>
Cost per employee covered—	—dollars—					
Total cost						
1988-89	3,243	2,548	3,777	2,409	2,268	2,742
1989-90	3,480	2,727	4,018	2,633	2,364	2,930
1990-91	3,411	2,914	3,897	2,818	2,511	3,045
Ongoing cost (a)						
1990-91	3,168	2,412	2,889	2,539	2,511	2,634
Employees covered	—per cent—					
1988-89	94.7	88.9	94.7	90.0	82.6	90.4
1989-90	93.7	90.6	92.3	91.5	88.6	91.4
1990-91	96.8	92.0	97.7	92.0	91.2	93.2

(a) See Superannuation in the Glossary and paragraph 7 of Explanatory Notes.



## EXPLANATORY NOTES

**Introduction**

This publication contains final results of the Survey of Major Labour Costs conducted in Australia annually.

2. Labour costs are defined as all costs incurred by employers in the employment of labour. The full range of labour costs comprises:

- (a) Earnings of employees
- (b) Superannuation
- (c) Payroll tax
- (d) Workers' compensation
- (e) Fringe benefits tax
- (f) Welfare services
- (g) Training
- (h) Recruitment.

3. The Survey of Major Labour Costs covers only components (a) to (e) which are generally considered to account for over 90 per cent of all labour costs.

4. Coverage of earnings of employees is not complete in the Survey of Major Labour Costs. In concept, earnings includes payments in kind or fringe benefits, which are goods or services provided by employers to their employees free of charge or at a discount on their market value. As fringe benefits tax is levied at a rate of 49 per cent, an estimate of the value of fringe benefits paid to employees may be derived. Calculated for 1990-91 on this basis the value of fringe benefits was \$2.4 billion or approximately \$415 per employee. To the extent, however, that the list of benefits prescribed by the Australian Taxation Office as attracting fringe benefits tax does not cover all payments, and certain institutions are exempt from fringe benefits tax, this figure is an underestimation of those costs. Additionally there may be differences in the valuation of fringe benefits for taxation purposes in comparison to those required to statistically measure employee earnings.

5. In the mining and construction industries, employers may make payments into external funds to provide for long service leave and severance, termination and redundancy entitlements of employees. These payments are deemed to be labour costs relating to employee earnings, and while not significant in terms of total labour costs for all employees, they are important contributors to employers' costs in those industries.

6. While the Survey of Major Labour Costs does not cover training expenditure, it should be noted that these costs are covered by another ABS survey.

The Training Expenditure Survey has been conducted in reference to the September Quarter 1989 and the September Quarter 1990. Costs covered in this survey are for formal training provided by employers. For September Quarter 1990, training costs excluding wages and salaries were estimated at approximately \$36 per employee. (For further information see ABS catalogue No. 6353.0)

**Comparison with Major Labour Costs, Australia 1989-90 (6348.0)**

7. The 1990-91 issue of 6348.0 differs from the 1989-90 issue in the presentation of costs per employee covered for superannuation for the public sector. This issue only shows 'ongoing' costs for the 1990-91 year. For the 1989-90 issue, 'ongoing' costs were shown for the 1989-90 year and the two previous years. During 1989-90 many organisations in the public sector began funding their superannuation on an 'ongoing' costs basis rather than on an 'emerging' costs basis. Due to the collection procedures used to record employees covered by superannuation, some difficulties were encountered in determining the timing changes in the funding arrangements of schemes to which employees belonged. This problem has particularly affected 1989-90 data and therefore only 1990-91 figures are shown in this publication. (A definition of on-going costs can be found under the Superannuation definition on page 30.)

**Survey design**

8. Sample. The survey was conducted using a sample of approximately 5000 employers in the private sector and 1500 in the public sector, selected from the ABS register of businesses in May of the reference year.

9. Coverage. The survey covered employers in all States and Territories and all industries except for employers primarily engaged in agriculture, forestry, fishing and hunting; private households employing staff; overseas embassies, consulates, etc; and the Australian permanent defence forces.

10. The statistical unit for the survey comprised all activities of an enterprise in a particular State or Territory. Each statistical unit was classified to an industry which reflected the predominant activity of the enterprise in the State or Territory. In a small number of cases, where an enterprise had significant employment in more than one industry, a separate statistical unit was created for each industry.

11. The statistical units were stratified by State/Territory, industry and employment size. For the government sector, level of government and trading/non-trading status were also used as stratification variables. An equal probability sample was selected from each stratum.



### Collection methodology

12. The survey was conducted by mail in three collection stages as follows:

- (a) An 'Information Advice Form' was used to establish reporting arrangements which ensured that the survey covered all employees at various locations within the organisation.
- (b) Information was collected on the major labour costs of employers, that is superannuation, workers' compensation, payroll tax, fringe benefits tax, gross wages and salaries and severance, termination and redundancy payments.
- (c) Superannuation Boards and Treasury Departments provided details directly to the ABS on some major labour costs items, for some government organisations.

### Labour cost measures

13. Labour cost measures presented in this publication are:

- (a) Total cost for each item in dollars.
- (b) Average cost per employee for each item.
- (c) Cost for each item as a percentage of major labour costs.
- (d) Cost for selected items as a ratio to earnings.

### Reliability of estimates

14. Estimates in this publication are subject to two sources of error:

- (a) Sampling error: since the estimates are based on information obtained from a sample of employers they may differ from the values that would have been produced if all employers had been included in the survey. More information on this topic is given in the Technical Note, Appendix A.
- (b) Non-sampling error: inaccuracies may occur because of imperfections in reporting by respondents and errors made in coding and processing data. These inaccuracies may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires and efficient operating procedures.

15. Estimates subject to non-sample error are known to occur with respect to the following items:

- (a) Superannuation costs - Public Sector. Commonwealth and State Superannuation Boards supplied data to meet the definitional requirements of the survey as closely as possible. In some cases elements of costs incurred by employers were excluded due to recording practices of these Boards and/or inability to meet definitional requirements

made by the ABS. As a result the estimates presented may slightly understate the total employer cost of superannuation for government sector organisations.

- (b) Fringe benefits tax.

A small proportion of respondents had difficulty in providing information in the manner requested. In a minority of cases employers reported fringe benefits tax paid for some employees not in scope for this survey. Such employees are those paid solely by commission without a retainer, proprietors/partners of unincorporated businesses, directors not paid a salary, self employed persons and past and future employees.

### Comparability to other data sources

16. In some cases estimates given in this publication may differ slightly from those from other sources. These differences may be the result of sample or non-sample error (see Appendix A), or may result from differences in scope, coverage, definitions or methodology used.

### Related publications

17. Users may also wish to refer to the following publications which are available on request:

*Labour Costs, Australia 1986-87* (6349.0) — issued August 1989

*Occasional Paper No. 1986/1: Statistics on Wages, Earnings, Income and Labour Costs — A Guide to their Concepts, Measurement and Usage* — issued June 1986

*Labour Statistics, Australia* (6101.0) — issued annually

*A Guide to Labour Statistics* (6102.0) — issued February 1986

*The Labour Force, Australia* (6203.0) — issued monthly

*Employed Wage and Salary Earners, Australia* (6248.0) — issued quarterly

*Average Weekly Earnings, Australia, Preliminary* (6301.0) — issued quarterly

*Average Weekly Earnings, States and Australia* (6302.0) — issued quarterly

*Distribution and Composition of Employee Earnings and Hours, Australia* (6306.0) — issued annually

*Award Rates of Pay Indexes, Australia* (6312.0) — issued monthly

*Employment Benefits, Australia* (6334.0) — issued annually

*Employer Training Expenditure, Australia* (6353.0) — issued May 1991

*How Workers Get Their Training, Australia* (6278.0) — issued July 1990



*Superannuation, Australia, November 1991* (6319.0)  
— issued May 1992

*Weekly Earnings of Employees (Distribution), Australia August 1990* (6310.0) — issued December 1990

18. Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The *Catalogue* and *Publications Advice* are available from any ABS office.

#### Unpublished tables

19. In some cases, the ABS can also make available information which is not published. This information may be made available in one or more of the following forms: microfiche, photocopy, data tape, computer printout, clerically-extracted tabulation. Generally, a charge is made for providing unpublished information. Inquiries for unpublished statistics should be made to Garry Whittaker on (06) 252 6325, or to Information Services in the nearest ABS office.

20. Unpublished information which may be available from this survey includes some State by industry, State by size and industry by size cross tabulations. This information is available at the total employer level or by private sector, public sector, level of government or government trading and non trading sectors. Some information on industries at finer levels than those included in the published tables may also be available. See page 32, for more information.

#### Symbols and other usages

- nil or rounded to zero
- \* the estimate has a relative standard error greater than 25 per cent and should not be regarded as reliable. See paragraph 4 of the Technical Note, Appendix A.
- .. not applicable

21. Where estimates have been rounded, discrepancies may occur between sums of the component items and totals.



## APPENDIX A

### TECHNICAL NOTE

#### Reliability of estimates

Since the estimates in this publication are based on information obtained from a sample of employers, they are subject to sampling variability. This means that they may differ from the estimates that would have been produced if all employers had been included in the survey, ie a complete enumeration.

2. One measure of the sample variability is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of employers, and in some cases employees, was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained had all employees been included, and about nineteen chances in twenty that the difference will be less than two standard errors.

3. Another measure of the sample variability is the relative standard error, which is obtained by expressing the standard error as a percentage of the estimate. Both the standard error and relative standard error are used to measure the reliability of estimates.

4. If the standard error of an estimate is large relative to the size of the estimate, the usefulness of that estimate is seriously impaired. For the tables in this publication, estimates with relative standard errors greater than 25 per cent have been noted with an asterisk.

5. Relative standard errors on estimates of costs as a percentage of major labour costs for States, industries and different employer sizes are given in Tables A, B and C respectively.

6. An example of standard errors and relative standard errors using these tables is as follows. Table 2 shows that superannuation for 1990-91 in New South Wales is estimated to represent 5.4 per cent of major labour costs. The relative standard error for this figure as shown in Table A is 3.6 per cent. This means that there are about 2 chances in 3 that a complete enumeration would have given a figure within 3.6 per cent of 5.4, ie. within the range 5.2 and 5.6.

There are about 19 chances in 20 that a complete enumeration would have given a figure in the range 5.0 to 5.8. The relative standard error of 3.6 per cent is multiplied by 2 and then applied to the estimated figure of 5.4.

7. As can be seen from the tables, in most cases the smaller the estimate the higher is the relative standard error.

8. Published figures may also be used to estimate the difference between two survey estimates (of numbers or percentages). Such a figure is itself an estimate and is therefore subject to sampling error. The sampling error of the difference between two estimates depends on their standard errors and the relationship (correlation) between them. An approximate standard error (SE) of the difference between two estimates (x-y) may be calculated by the following formula:

$$SE(x-y) = \sqrt{[SE(x)]^2 + [SE(y)]^2}$$

This formula will only be exact when estimating the difference between two survey estimates which are from different States or from different industries in the private sector or from different sectors. Providing the correlation is positive, it is expected to result in a conservative estimate for the difference between survey estimates that are from different employer size groups or different States or industries in the public sector.

9. The imprecision due to sampling variability, which is measured by the standard error, should not be confused with inaccuracies that may occur because of imperfections in reporting by respondents and errors made in the coding and processing of data. Inaccuracies of this kind are referred to as the non-sampling error, and they may occur in any enumeration, whether it be a full count or only a sample. For more information on non-sampling error refer to paragraph 14 of Explanatory Notes.

10. Tables A, B and C show relative standard errors for each item in terms of the measure "costs as a percentage of major labour costs". These tables can be used to gauge the relative standard errors for other measures given in this publication.

- For the measure "other labour costs as a ratio to earnings" relative standard errors are approximately the same as those given in Tables A, B and C.
- For the measures "total dollar cost" and "average cost per employee" relative standard errors are a little higher than those given in Tables A, B and C for all items except 'earnings' for which the relative standard errors are much higher than those given in Tables A, B and C. Detailed relative standard errors are available on request.



TABLE A. RELATIVE STANDARD ERRORS : COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS  
STATES, AUSTRALIA, 1990-91

Type of labour cost	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
Earnings	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.2	0.1
Other labour costs	1.7	1.3	2.5	2.2	1.4	2.0	2.2	1.2	0.8
Superannuation	3.6	2.9	4.2	4.3	2.9	3.2	3.9	2.1	1.7
Payroll tax	2.0	1.6	3.2	3.6	2.5	4.5	3.3	6.0	1.1
Workers' compensation	2.0	1.8	4.9	4.2	3.2	4.0	2.3	3.8	1.1
Fringe benefits tax	5.5	6.1	6.9	9.8	7.2	10.6	3.8	10.5	3.1

TABLE B. RELATIVE STANDARD ERRORS : COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS  
INDUSTRY, AUSTRALIA, 1990-91

Type of labour cost	Mining	Manufacturing	Electricity, gas and water	Construction	Wholesale and retail trade	Transport, Storage and communication
Earnings	0.2	0.1	0.1	0.4	0.4	0.2
Other labour costs	1.2	1.0	0.3	2.9	3.6	1.4
Superannuation	2.4	2.4	0.6	6.1	9.3	2.0
Payroll tax	1.0	1.0	0.2	4.8	3.4	1.7
Workers' compensation	2.1	1.5	0.4	4.8	3.6	2.6
Fringe benefits tax	9.3	6.9	0.6	12.2	6.8	6.0

Type of labour cost	Finance, property and business services	Public administration and defence	Community services	Recreation, personal and other services	Total all industries
Earnings	0.4	0.5	0.2	0.4	0.1
Other labour costs	3.2	3.7	1.4	4.6	0.8
Superannuation	7.6	4.1	2.0	9.7	1.7
Payroll tax	2.5	14.2	2.3	6.2	1.1
Workers' compensation	8.0	3.2	2.2	4.2	1.1
Fringe benefits tax	5.4	7.4	8.8	17.3	3.1

TABLE C. RELATIVE STANDARD ERRORS : COSTS AS A PERCENTAGE OF MAJOR LABOUR COSTS  
EMPLOYER SIZE, AUSTRALIA, 1990-91

Type of labour cost	Less than 20 employees	20-99 employees	100 or more employees	Total all sizes
Earnings	0.5	0.2	0.1	0.1
Other labour costs	4.9	1.8	0.6	0.8
Superannuation	7.9	3.6	0.8	1.7
Payroll tax	10.7	2.4	1.0	1.1
Workers' compensation	3.4	3.4	1.3	1.1
Fringe benefits tax	8.0	7.8	3.6	3.1



## APPENDIX B

### GLOSSARY

**Earnings:** comprise amounts paid to employees as severance, termination and redundancy payments and gross wages and salaries during the reference year.

This includes:

- ordinary time and overtime earnings;
- overaward payments;
- penalty payments, shift and other remunerative allowances;
- commissions and retainers;
- bonuses and similar payments;
- payments under incentive, piecework or profit sharing schemes;
- leave loadings and leave payments;
- advance and retrospective payments;
- standby or reporting time;
- salaries and fees paid to company directors and members of boards who receive a salary; and
- lump sum payments made for unused leave.

Excluded are allowances which are reimbursements for expenditure incurred in conducting the business of an employer and drawings from profits by directors or office holders.

Amounts paid to employees for workers' compensation as part of their earnings have been removed from the earnings estimate provided. Workers' compensation costs not reimbursed by an insurer are accounted for in the workers' compensation estimate.

**Emerging Cost:** see *Superannuation*

**Employees:** is the average of the number of wage and salary earners who received pay for a specified pay period in August, November, February and May of the reference year.

Included are all:

- permanent, temporary, casual and part-time employees;
- managerial and executive employees;
- employees on paid or pre-paid leave, or workers' compensation;
- employees paid from interstate or overseas; and
- employees who terminated employment during the selected pay periods.

Excluded are all:

- proprietors/partners of unincorporated businesses;
- directors who are not paid a salary;
- self-employed persons (eg subcontractors);
- persons paid solely by commission without a retainer;
- employees on leave without pay, on strike or stood down who did not receive pay during the selected pay periods; and
- employees based outside Australia.

**Employer size:** is based on the average number of employees reported. The size classification reflects the size of the enterprise in a particular State/Territory and not necessarily the size of the enterprise Australia wide.

**Fringe benefits tax:** relates to the tax actually paid in respect of employees as defined. The fringe benefits tax was introduced for benefits provided from 1 July 1986. As the tax is not payable until one month after the end of the quarter in which the fringe benefits were provided, the fringe benefits tax estimate provided for 1988-89 relates to payments made for the June, September, December and March quarters. Amounts paid in fines for late payment are not included in the estimate of fringe benefits tax.

**Industry:** is used to classify each employer according to the *Australian Standard Industrial Classification (ASIC) 1983 Edition*, (1201.0).

**Institutional sector:** is used to classify each employer according to *Standard Institutional Sector Classification of Australia (SISCA)*, 1987 edition (1218.0). Public Trading Enterprises are those whose main aim is to maximise profits whilst engaged in the production of goods and services, with most operating costs being derived from trading activities.

Public Non-Trading Enterprises are mainly engaged in the production of goods and services outside the normal market mechanisms and providing these goods and services to the general public. The costs of operations are often financed from public revenues.

**Labour costs:** are costs incurred by employers in the employment of labour. For more information refer to paragraph 2 of Explanatory Notes.

**Major labour costs:** refers to the sum of gross wages and salaries, severance, termination and redundancy payments, payroll tax, superannuation costs, workers' compensation costs and fringe benefits tax.

**Ongoing cost:** see *Superannuation*



**Other labour costs:** are costs incurred by employers in the employment of labour other than earnings of employees.

**Payroll tax:** refers to amounts paid during the reference year in respect of the gross wages and salaries of employees, net of any rebates. Payroll tax assessed for payments to contractors and other persons not considered employees, are thus excluded.

**Reference year:** for the Major Labour Costs Survey is the year ended 30 June. Information collected relates to labour costs paid during the year by those employers selected from the ABS register of businesses in May of the reference year. For businesses which commenced or ceased operation during the year, the costs relate to the amounts paid during the period the business operated. The data collected relates to payments actually made by the employer during the reference year with respect to employees as defined.

**Sector:** is used to classify organisations as public or private enterprises. Public sector includes local government authorities, government departments, agencies and authorities created by, or reporting to, the Commonwealth and State Parliaments. All remaining employers are classified as private sector.

**Superannuation:** costs refer to the total payments made by employers with respect to superannuation liabilities incurred. Costs can occur on two bases depending on the funding arrangements made to meet superannuation liabilities:

- (a) 'Ongoing' costs are actuarially determined contributions paid into a superannuation fund on a regular basis.
- (b) 'Emerging' costs are payments of pension/lump sum benefits as superannuation liabilities occur, where no funds have been set aside during the employees' service. Schemes operating on this basis are sometimes referred to as 'unfunded' schemes.

In the private sector superannuation liabilities are always met on an ongoing costs basis. In the public sector superannuation liabilities are met on either an ongoing cost basis or an emerging cost basis or (occasionally) using a combination of both approaches.

As a result the value of superannuation costs shown for private sector employers directly relates to current employees. However, the value of superannuation shown for public sector employers relates in some cases to current employees and in other cases to former employees now receiving a pension or lump sum. In the latter case payments for superannuation will reflect the past structure and size of an organisation rather than current structure and size. For this reason **public and private sector superannuation costs are not directly comparable.**

Three of the measures related to superannuation costs provided in this publication are:

- (a) Superannuation costs per employee - refers to superannuation costs divided by the annual average of all employees who received pay for specified pay periods during August, November, February and May of the reference year. This is an average for all employees, including those not covered by superannuation.
- (b) Superannuation costs per employee covered - refers to superannuation costs divided by the average of all current employees covered by superannuation schemes for specified pay periods during August, November, February and May of the reference year.

It should be noted that for total ongoing costs per employee covered total ongoing superannuation contributions includes all payments made on an ongoing cost basis. However the employees covered are only those for whom all contributions are paid into schemes operating on an ongoing cost basis. Excluded are those employees belonging to superannuation schemes operating on an unfunded (emerging) cost basis for whom also contributions of occupational superannuation are paid into a scheme operating on an ongoing cost basis.

- (c) The percentage of current employees covered - estimated by expressing the annual average of all employees covered by superannuation for the specified pay periods as a percentage of the average number of total employees for the same pay periods.

**Workers' compensation:** costs are determined in three ways:

- (a) The majority of employees are covered for workers' compensation through the payment of premiums by the employer to an insurer. In these cases, workers' compensation costs are considered to comprise:

- premiums paid during the reference year;
- any workers' compensation costs not reimbursed by the insurer including 'make-up' and 'excess' pay (which cover payments made by employers directly to employees as part of earnings, over and above the amount paid as compensation by the workers' compensation insurer);
- premiums paid during the reference year to insure for claims made by employees for workers' compensation at Common Law.
- (b) Certain employers may become 'self-insurers'. Workers' compensation costs for these employers are considered to be:

- payments made as part of employees' earnings;



- lump sum payments;
- any other workers' compensation costs including legal, accounting, medical and administrative costs and 'catastrophe' insurance premiums;
- premiums paid during the year to offset liability at common law for workers' compensation;
- lump sum payments made to employees not reimbursed by an insurer, resulting from workers' compensation claims made at Common Law; and

any other costs at Common Law for workers' compensation including legal, accounting, medical and administrative costs.

(c) Certain Commonwealth sector employers operated as 'self insurers' for the period 1 July 1988 to 30 November 1988, and for the remainder of the reference period were covered by payment of an appropriation made to COMCARE, the insurer for the majority of Commonwealth sector organisations. In these cases, workers' compensation costs for the period 1 July 1988 to 30 November 1988, are considered to comprise:

- payments made as part of employees' earnings;
- lump sum payments;
- any other workers' compensation costs including legal, accounting, medical and administrative costs and 'catastrophe' insurance premiums;
- premiums paid during the year to offset liability at common law for workers' compensation;

- lump sum payments made to employees not reimbursed by an insurer, resulting from workers' compensation claims made at Common Law;

any other costs at Common Law for workers' compensation including legal, accounting, medical and administrative costs.

For the period 1 December 1988 to 30 June 1989 workers' compensation costs for these organisations were considered to be:

- those costs met by COMCARE on behalf of these employers in relation to workers' compensation costs incurred in the period 1 December 1988 to 30 June 1989. An appropriation was made by the Commonwealth Government to COMCARE to cover these payments;
- an appropriation paid during the reference period to cover any future costs associated with claims related to incidents that took place on, or before 30 June 1989; and
- any other workers' compensation costs incurred directly by employers during the period 1 December 1988 to 30 June 1989 which were not covered by the appropriation to COMCARE.

Because these costs include an appropriation made to cover costs to be met in future years, (for claims made on, or before 30 June 1989) workers' compensation costs for 1988-89 will be overstated, while costs in future years will be understated. As a result, estimates of workers' compensation for the Commonwealth sector will not be directly comparable to estimates of workers' compensation provided for any other sectors.

Costs which have been reimbursed from a workers' compensation insurer are not included in the estimates.